STATEMENT OF PURPOSE

RS24411

This resolution authorizes the Legislative Council to appoint a committee to undertake and complete a study of the public school funding formula and to make recommendations. The committee will evaluate the existing formula to assess how it meets the needs of different learning modalities, serves Idaho students, and provides fiscal stability to public school districts and public charter schools.

FISCAL NOTE

The cost of the study is not expected to exceed a total of $10,000. The study will be paid for by the Senate and the House of Representatives from their existing appropriation in the Legislative Account.

Contact:
Representative Wendy Horman
(208) 332-1000
Chuck Winder, Senator
(208) 332-1000

Idaho's Funding Formula

Senate Bill 1560 Nearly a Decade Later

Idaho's current funding formula has been in place for nearly a decade. There have been only a few changes in the original legislation, SB1560. In 1999 The Matrix Group, Inc. prepared a study of the implementation of the statute; the study also offered four recommendations for improvement. For the past couple years, there have been efforts to change parts of the funding formula.

Robin Stanley, Superintendent of the Mullan School District, wrote: "Before we change it (the current funding formula) we need to know why we got it in the first place. We need to make sure that any changes don't make things worse rather than better."

This white paper was commissioned by the Board of Directors of the Idaho School Superintendents' Association to provide a historical perspective on SB1560, providing information on why certain components of the legislation exist and how the "pieces came together."

Several important events occurred prior to and during the 1994 Legislative Session:

- In 1990, two lawsuits were filed in district court by 49 school districts against the State of Idaho over the issue of school funding.
- In 1993, the Idaho Supreme Court held that the issue of "thoroughness" had not yet been resolved and remanded the case back to district court for trial, at a time after the 1994 Legislative Session, providing the opportunity for the issue to be resolved in a non-judicial forum.
- In March 1993, a "Select Committee on Thoroughness" was created by the Idaho Legislature to define "thoroughness" and to look for solutions to school funding problems. As a result of this group's work, I.C. 33-1612, defining "thoroughness," was enacted. The group was not successful in finding a solution to the school funding issues.
- In October 1993, a committee named by Governor Andrus and State Superintendent of Public Instruction Evans presented a definition of thoroughness and some possible solutions to the funding of Idaho's schools.
- In the weeks before the 1994 Legislative Session, a proposal was crafted, based on the best of the State of Washington's funding model and the best thinking of the committee to formulate a new funding formula for the State of Idaho.

What were the major issues?

- Disparity in teacher salaries among the school districts, such as top salaries ranging from $25,000 to $40,000.
- Disparity in class sizes across the state, ranging from 20 – 40 students per teacher.
- Adequacy of the pool of funds available to support the public schools.
- Equalization of operating resources available to the school districts for the basic needs of "thoroughness."
- Vast differences in the condition of school facilities, as documented in the 1992 school facility needs assessment.

As the 1994 Legislative Session approached, the plaintiffs agreed to the following:

- All districts would receive at least an eight (8) percent increase in foundation funding for the 1994-95 school year.
- It was proposed that a state-wide salary and employee allocation system would be developed, reducing the inequities in the average number of pupils per employee and salaries paid in districts.
- Support units would be used as the basis of determining employee allocations; support units were in place and took into account the differences in district sizes.
- Multipliers would be used to determine the allocation of personnel (1.10 for instructional; .375 for classified; and .075 for administrators); additional allocations for instructional and administrative staff were provided for districts with less than 40 support units.
- A statewide salary allocation system would be used, providing column and step increases of 3.75%.
- An annual goal of 82% of the national average teacher salary for the 1992-93 school year was established, assisting in establishing the original instructional base salary in Idaho Code.
- Only transcripted credits on the educational column would be used because of the variations in professional development opportunities across the state.
- The administrative salary base would be set at 82% of the national average teacher salary.
- The classified salary base was set at $15,000, representing the wide range of classified salaries across the state.
- A "use it or lose it" clause was included for instructional and administrative staff; within the administrative allocation, up to 20% could be used for non-certified personnel. The "use it or lose it" clause was included to reduce inequities in class size and pay caused by districts not using all of the salary allocations for salaries.
- PERSI and FICA allocations were made to the district in direct relation to the total salary allocation.
- After the salary allocation and deduction for all other statutory requirements, such as transportation and border contracts, and program enhancements, the remaining appropriation and local property taxes would be divided by the total number of state support units to determine the allocation per support unit. The remaining dollars are the discretionary funds of the district used to meet operational needs of the district.
- Local property taxes would be fully equalized; this would include only the local maintenance and operational levies of the districts.
- The unit divisor for grades 1-3 for districts over 300 elementary students could be moved from 23 to 20m phased in over three years.
- The special education funding was to be included in the instructional allowance and not as a separate allocation of personnel.

Everyone recognized the obvious: It would take a tremendous amount of new dollars to meet these agreements and goals!

So what happened when the 1994 Legislative Session convened? First of all, the need for compromise became apparent!

- The original bill introduced, SB1451, was held in the Senate Education Committee. Why was it held? While agreeing to the 82% of the national goal as a starting point, senators did not want to commit to

that goal on a long range basis. Secondly, legislators did not want a statewide salary schedule, causing annual negotiations with the state teachers' union.

- The dropping of the proposed statewide salary schedule resulted, primarily because the plaintiff group recognized that the index would have the same effect, using a percentage of the average national teacher salary of the previous year (85% was finally used, due to the amount of dollars available to fund the change in the formula).
- The parties also agreed to expand the legislation to include support for the legislative definition of thoroughness. Thus, the following were added: 1) $300 allocation per support unit to provide a "safe environment"; 2) $300 per support unit for the 1994 – 95 year only for "basic curriculum" to enable students to enter academic or vocational post-secondary education programs; 3) $200 per support unit for the 1994 – 95 year only for teacher supplies to facilitate classroom instruction; 4) $10,400,000 for the 1994 – 95 year only for the public school technology program; and 5) $2,000,000 for the 1994 – 95 year only for the Idaho School Reform Committee. As is evident, all but the safe environment and the technology allocation disappeared after the 1994 – 95 year.

These compromise issues, and an appropriation that added over $90 million dollars to the public schools, resulted in the passage of SB1560 and a new funding formula for Idaho's public schools.

What changes have occurred since SB1560 passed in 1994? Three changes were enacted in 1995:

1) Clarification that a district may contract separately for services to be rendered by non-district employees; these employees may also be counted in the staff allowance.
2) Provision for a district to request a waiver from the State Board of Education in the event that the staff allowance in any category is insufficient to meet accreditation standards.
3) Provision that no district's distribution shall be less in any year than 90% of the distribution of state educational dollars, less special program allocations received by that district in the immediately preceding year.

The Matrix Group made four recommendations in its 1999 report. Those recommendations follow.

1) Continue to emphasize the need to increase the base salary for teachers each year in order to have Idaho average teacher salaries remain at least 85% of the national average teacher salary for the previous year.
2) The causes of disparity in school funding should continue to be explored.
3) The instructional index of 1.1 should be slowly increased over time, resulting in lower class sizes. The Classified index of .375 should be increased to .400, reflecting the fact that the allocation has not provided enough funding since the enactment of SB1560. (See the Matrix Group study for full details.)
4) Consideration should be given to allow districts with fewer than 20 support units to apply through the State Department of Education to waive the "use it or lose it" clause in relation to administrative allocation.

Conclusion

It has been generally accepted that SB1560 has been good for Idaho education. Teacher salaries that increased. This has occurred because of the way the formula is designed, providing for full equalization of local property taxes, and the over 50% increase in market value has provided the necessary revenue to increase salary levels, While SB1560 has decreased proportional disparities in per pupil spending and teacher salaries, significant disparities in actual dollars continue to exist, Even though it did not result in a significant decrease in the number of students per teacher, the formula is designed to provide for decreasing class sizes by increasing the instructional staff allocation.

Since the passage of SB1560, new variables have come into play as well. Variables such as the erosion of Idaho's tax base and the declining enrollment in over half of the school districts, make random adjustments to the current funding system all the more important to study and proceed with caution.

The late Senator Jerry Twigs, Idaho State Senate Pro Tempore, wrote in 1994: "I would like to commend you and your fellow superintendents for your willingness to address some of the difficult and critical issues that face education in Idaho. The comment that some of you have had to swallow hard when coming to an agreement is a recognizable understatement. I believe you have set the tone for increased educational opportunities for all Idaho's children."

Idaho's school superintendents have provided the leadership in the past to answer the pressing issues of school funding. They understand the issued and the impacts of various "adjustments" in the funding formula that have been attempted by policy makers.

NOTE: This undated document was created under the letterhead of previous IASA Executive Director Mike Friend (1991 – 2006).

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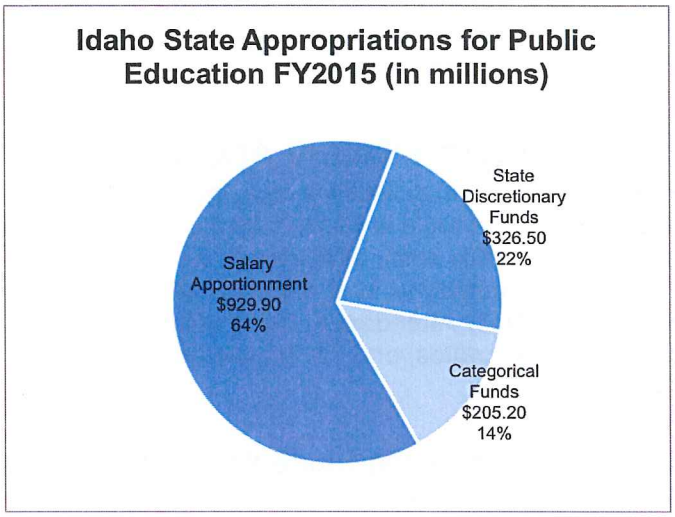
RURAL OPPORTUNITIES CONSORTIUM OF IDAHO

Overview of State Funding for Public Education in Idaho

Idaho's public schools receive revenue from state, local, and federal sources. This brief focuses on the allocation of state funds for public education, which comprise the largest source of funds for Idaho's public schools at over 60 percent.[1]

School funding can be divided into two broad categories—funding to support day-to-day school operations and funding to support capital expenditures for school facilities. Idaho provides school funding for operations through three funding streams. The two largest, the Salary Apportionment and State Discretionary Funds, are allocated based on formulas established in state law. Categorical Funds support around 25 separate purposes established both in statute and by appropriation.



Building Blocks of the Funding Formulas

The formulas for both the Salary Apportionment and the State Discretionary Funds allocations are driven by the students served by a district, the overall size of a district's student population, and the experience and education level of its staff. These serve as basic building blocks of Idaho's school finance formulas:

Average Daily Attendance: Average Daily Attendance (ADA) is a count of students in attendance each day over a period of time divided by the number of instructional days in the period.

District Support Units: District Support Units can be thought of as the number of total staff a district needs to serve its student population, calculated based on the number of students served across grade levels and the overall size of districts' student populations. It is the basis of several other calculations that ultimately determine how much state funding a district receives. It is not a count of actual personnel employed by a district. It does not differentiate by type of staff—teachers, administrators, or support personnel. It is simply an estimate of the number of total school personnel of any type a district needs.

Staff Allowances: For calculating the Salary Apportionment, the formula refines the basic District Support Units calculation into a separate set of values to differentiate the number of staff positions of different types that will drive funding for a district. The District Support Unit is

[1] Based on the most recent data available from the National Center for Education Statistics, in FY2012, revenue for Idaho's public schools consisted of 63 percent state funds, 24 percent local funds, and 13 percent federal funds.

multiplied by 1.1 to calculate the Staff Allowance of instructional staff, by 0.075 to calculate the Staff Allowance of administrative staff, and by 0.375 to calculate the Staff Allowance of classified (non-certified support) staff.

Education and Experience Index: Differences in experience and education levels among teachers and administrators drive different salary costs according to local salary schedules. To account for this, the Salary Apportionment formula adjusts for the education and experience profile of a given district's personnel through application of the Education and Experience Index (EEI). Each instructional and administrative employee in a district is assigned an index value according to a table based on years of service and education credentials. For each district, the index values for all instructional and administrative employees are averaged to yield the district's average EEI value for each group of employees (See Sidebar, Calculating a District's Education and Experience Index for an example).

Calculating a District's Education and Experience Index

Imagine a district with three teachers.

Teacher A holds a master's degree and has 5 years of teaching experience.

Teacher B holds a bachelor's degree and has 15 years teaching experience.

Teacher C holds a bachelor's degree and is a first year teacher.

The index values associated with each teacher's education level and years of experience found in Section 33-1004A of the Idaho Statutes are as follows:

Teacher A: 1.34260

Teacher B: 1.39290

Teacher C: 1.00

As a result, the district's ***instructional EEI*** is 1.2451, or the average of these three values.

The ***administrative EEI*** is calculated in the same manner based on the education and experience levels of administrative staff.

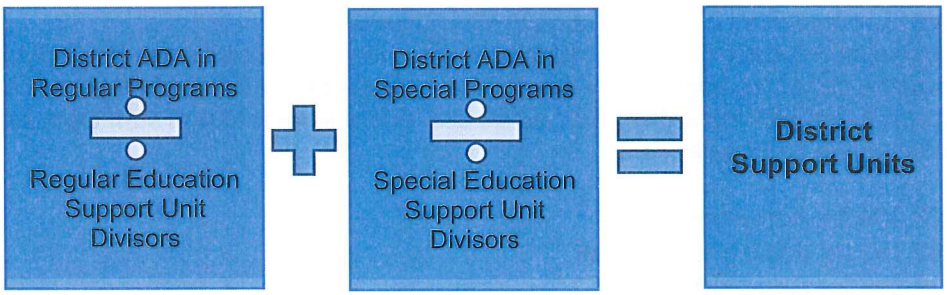
Calculating the Salary Apportionment

Putting these building blocks to use, the Salary Apportionment formula is essentially a calculation of the salary and benefits costs attributed to a school district based on the number of staff required, as determined by the Average Daily Attendance, District Support Units, Staff Allowance ratios, and the Education and Experience Index.

Step One: Converting Students to Staff

The formula begins by establishing districts' Average Daily Attendance. For purposes of calculating the Salary Apportionment, Average Daily Attendance includes the number of students in attendance through the first Friday in November divided by the number of instructional days in that period. (A slightly different calculation of Average Daily Attendance is used for calculating State Discretionary Funds, discussed later.)

The first step in converting Average Daily Attendance to a staff count is the determination of **District Support Units**. The number of District Support Units is calculated by dividing a district's Average Daily Attendance in kindergarten, elementary (grades 1 to 6), secondary (grades 7 to 12), and alternative settings by a set of divisors established in statute. The divisors for each grade range differ according to district enrollment. Secondary grades generate more support units, and districts with lower enrollment are also favored. District Support Units are calculated separately for students served in certain special education programs and added to the regular education District Support Units value. Together, the results of those two calculations yields a district's total District Support Units.



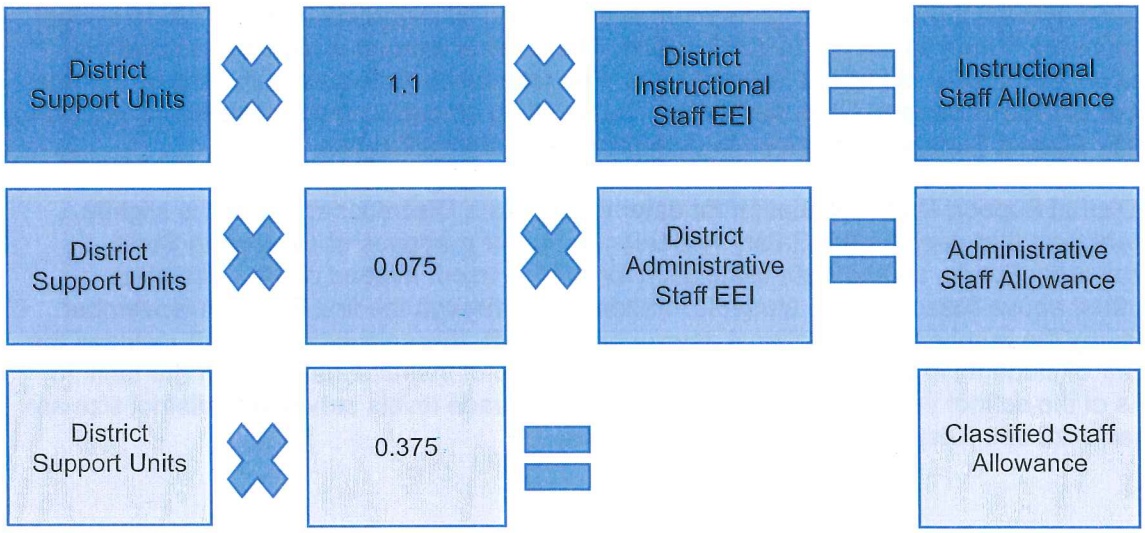
In the next step, the formula refines District Support Units to the three Staff Allowances for instructional, administrative, and classified staff. Districts are entitled to funding based on the lesser of the calculated allowance for each category or the number of actual full-time equivalent (FTE) employees in that category. Allowances for each category are calculated by first multiplying the District Support Units value by one of three values set in statute:

- 1.1 for instructional staff
- 0.075 for administrative staff
- 0.375 for classified staff

Statute prescribes separate calculations for very small districts (those with fewer than 40 total District Support Units and those with fewer than 20 District Support Units) that increase the number of District Support Units that those districts would otherwise generate under the formula. Fifty-five out of 115 school districts and 40 out of 45 charter schools have fewer than 40 District Support units. Of those, 33 districts and 26 charters have fewer than 20 District Support Units.

The calculation for instructional and administrative Staff Allowances factors in an adjustment for the average Experience and Education Indices for the district. The application of the EEIs increases the staff allowance. The more experienced and/or educated a district's personnel, the greater the increase.

The resulting value serves as a proxy for the number of staff—of different types, education, and experience—associated with the composition of the district's student population.

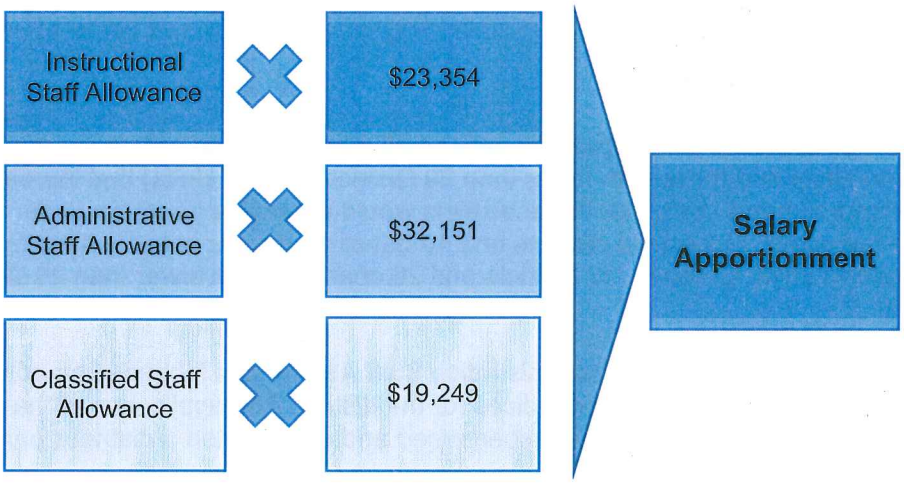


Step Two: Converting Staffing Levels to Dollars

The funding level for each district's Salary Apportionment is determined by multiplying each Staff Allowance value, as adjusted by the district average Education and Experience Index (EEI) for instructional and administrative staff, by a base salary level for each staff type. Idaho state law establishes the base salaries at:

- $23,354 for instructional staff
- $32,151 for administrative staff
- $19,249 for classified staff

If the funding associated with the Instructional Staff Allowance is insufficient to fund each instructional FTE in the district at the state minimum salary of $31,750 plus bonuses paid to employees designated as Master Teachers, funding is increased by the amount necessary to meet those minimum requirements. A Benefit Apportionment of 18.04 percent of the Salary Apportionment is also added.



State Discretionary Funds

Total State Discretionary Funds (also referred to in statute as State Funds for Educational Support) are determined by the total state appropriation for public schools less amounts allocated through the Salary Apportionment and Categorical programs. In the FY2015 budget, Discretionary Funds amounted to $327 million. The leftover amount is allocated to districts based on the number of District Support Units. The total funding amount is divided by the total number of District Support Units statewide. The resulting amount is then multiplied by individual districts' District Support Unit values to determine the district allocation.

The District Support Units calculation for determining State Discretionary Funds is slightly different than that used for the Salary Apportionment. For purposes of calculating State Discretionary Funds, an alternate calculation for ADA is used. Instead of the calculation described above (based on the students in attendance through the first Friday in November divided by the number of instructional days in that period), this calculation of ADA includes the number of students in attendance divided by the number of instructional days for the best 28 weeks of the school year. The divisors used based on grade levels served and district size are the same for both District Support Unit calculations.

Categorical Funds

The Idaho state budget includes funding for a range of categorical programs. Collectively these programs received $205 million in the FY2015 budget, comprising 13 percent of state public education funding. The largest categorical program is state funding for district transportation costs ($69 million in FY2015). Other categorical programs fund:

- Support for some contracted educational services, such as certain special education services; tuition-equivalencies paid to districts educating students placed in a residential facility, like a juvenile detention facility; or tuition paid by districts abutting state borders on behalf of students opting to attend public school in the adjoining state
- Funding for academic programs, such as dual credit and Advanced Placement
- Funding incentives and stipends for teacher leadership activities, such as teaching dual credit courses, serving as a teacher mentor, or teaching in a "hard to fill" position
- Support for professional development, district technology, and specific administrative purposes

Statute requires funding for some categorical programs; for others, funding is a function of appropriations decisions. Some of these funding streams are allocated among all schools, and some are based on district-specific circumstances.

State Funding for Capital Expenditures for School Facilities

In addition to funds for school operations, the state provides funds to offset school facilities costs primarily through four funding streams.

Bond Levy Equalization: The largest facilities support funding stream for school districts is *Bond Levy Equalization*. Under the program, state aid is allocated to help fund districts' interest and principal payments on locally issued bonds (debt service). Funding is provided as a percentage of a district's debt service payment obligations ranging from 10 up to 100 percent. The percentage for which a district is eligible is determined by a measure of the economic condition of the district that factors in the market value of taxable property, the unemployment rate, and the per capita income in the district. The funding allocation favors districts with below average property values, above average unemployment, and below average per capita income.

The FY2015 state appropriation for Bond Levy Equalization totaled $19.6 million.

Facilities Maintenance Matching Funds: School districts are required to allocate a set amount of funding for the maintenance of school buildings. The amount is determined based on the replacement value of the buildings. State funding amounts are provided as a percentage of the total required allocation, adjusted for economic conditions in the district. Districts with poorer economic indicators qualify for a higher percentage of state matching funds. Charter schools are eligible for funding under this program.

The FY2015 state appropriation for Facilities Maintenance Matching Funds totaled $1.7 million.

Per Capita Facilities Allocations: Idaho's state facilities funding programs are funded in part from revenue generated by the state lottery. With few exceptions, statute directs that lottery funds be allocated to districts on the basis of Average Daily Attendance.

The FY2015 allocation from lottery funds totaled $12.6 million.

Charter School Facilities Funds: As of 2014, Idaho charter schools are eligible for a dedicated funding stream for facilities equal to a percentage of the statewide average of bond funds levied by districts for facilities. The percentage fluctuates in direct proportion to state appropriations for public education with a minimum of 20 percent.

The FY2015 state appropriation for Charter School Facilities Funding totaled $2.1 million. In FY2016, the state is budgeting $250 per enrolled student in on-site schools (charter schools where student attend classes on campus, as opposed to virtual or distance-learning based programs).

Charter School Debt Reserve: In the 2015 session, the Idaho Legislature enacted House Bill 309, which establishes the Public Charter School Debt Reserve. This account, funded through legislative appropriations, will serve as a guarantee on loans taken out by charter schools in good financial standing, enabling charter schools to qualify for more favorable interest rates.

The FY2016 state appropriation to establish the Charter School Debt Reserve fund will be determined by the Joint Finance-Appropriations Committee during the 2016 legislative session.

The Role of Local Funds

Idaho school districts have authority to levy property taxes for the support of their public schools. Such funds are purely discretionary and do not factor into allocations of state funds, nor are revenues supplemented with state funds to adjust for differences in property values among districts (a policy often referred to as *equalization* in other states).

Because charter schools, which are public schools of choice, are generally not tied to specific geographic boundaries and typically lack taxing authority, they lack access to local revenue. So although state funding for operations for charter schools is allocated in the same manner as that of traditional public school districts, the lack of access to local revenues drives disparities in per student revenue between charter schools and traditional district schools.

Understanding State School Funding

The first step toward quality reforms

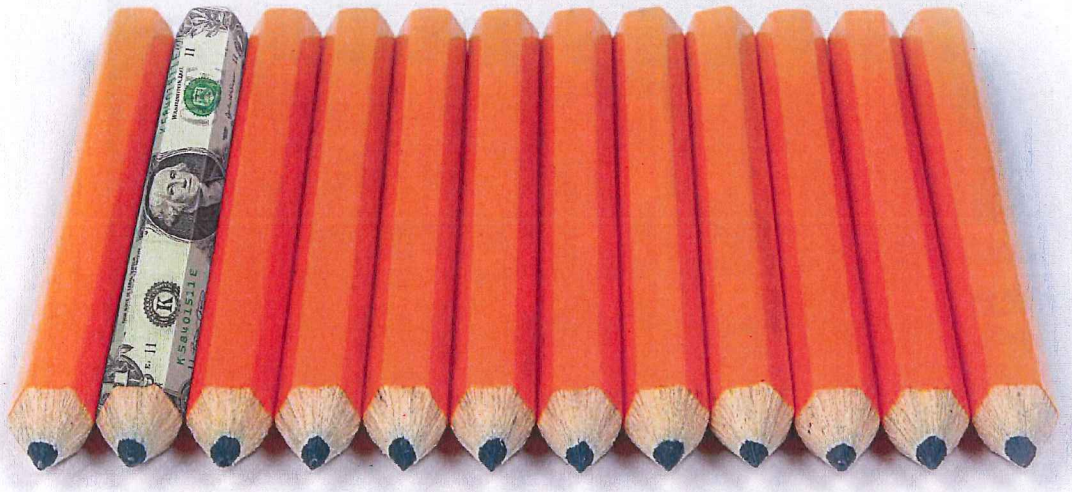
> *Finance policies must be linked specifically to quality improvements (in education).*[1]

What's Inside

- How do funding formulas really work?
- How do states go about counting students?
- How are high-need students funded?
- What is not included in the state's primary funding formula?

This quote, taken from a piece written by the Education Commission of the States (ECS) nearly 30 years ago, demonstrates that researchers have long recognized the relationship between quality education reform and the structure of a state's school funding system. However, many policymakers continue to view their state's school funding formula not as a tool for reform but as a barrier to change. Policymakers tend to view the way that their state funds schools as a byzantine system of rules, regulations, and formulas that is only comprehendible to a handful of people. This perception scares many policymakers away from even trying to grasp how their funding formula works. When policymakers don't understand the basics of their state's funding system, it is difficult for them to determine what changes are needed to encourage innovation.

This issue of *The Progress of Education Reform* sets out to ease some of the confusion by helping readers better understand these complex systems, with the hope that this knowledge will be used to help support education reform in the states.



THE PROGRESS OF Education Reform 20

JUNE Vol. 13, No. 3

Education Commission of the States

Why school funding stopped being simple

A 1969 study from the Council of Chief State School Officers provides a detailed history of how and why state funding formulas became more complex.[2] It describes how the amount of state funding for education increased from $44 million in 1900 to $372 million by 1930—a seven-fold increase. By 1960, states were expending $5.7 billion on public education—14 times that of 1930 levels. Such large increases in spending exacerbated issues related to the state formulas.

During the early 1900s, for example, states distributed funds to school districts based on "flat grants" that provided one basic dollar amount per student to each district regardless of its wealth or need. Because each enrolled student received the same dollar amount from the state, districts with greater needs and/or lower wealth (ability to raise local revenues) often were on unequal footing, However, flat grants were easy for the public, parents, and school administrators to understand. Conversely, more affluent districts received the same amount from the state, even though their communities generated greater local revenues for schools and might have had fewer low-income or high-need students to serve. This created funding inequities among districts. As state education funding levels began to dramatically increase, recognition of these variations ultimately pushed state leaders to revise their funding systems to take into account both a district's need and relative wealth.

In the 1920s, states began to make use of a new education funding system known as "foundation formulas," whereby funding is provided to districts on a sliding scale based on their relative wealth. In the 1930s, states began to further adjust these formulas to address the extra costs associated with student populations that required a higher level of resources based on their needs, including those considered "at-risk" of failing, students with disabilities, and students for whom English was not their primary language.

Starting in the 1960s, states began further adjusting their funding formulas with the goal of creating greater equity in funding among districts. In the 1980s, and continuing to today, there has been a movement to adjust funding formulas further for such things as regional costs, district size, and performance incentives. Each of the changes made since 1900 was designed to improve the educational experience of students, especially those from disadvantaged socioeconomic backgrounds. As a consequence, each brought with it a new level of complexity to state funding systems. Now, instead of receiving a set dollar amount per student as they did prior to the 1920s, districts receive funding from the state based on a series of complex and overlapping formulas.

Understanding State Education Funding Systems

While each of the 50 states uses a different system, there are more similarities than one might expect. If you understand these similarities—and know where to look for them in the formula—you will be better equipped to understand what your state's formula is capable or incapable of doing.

Two Basic Ways to Fund Schools

States fund public education either by 1) providing a school district/charter school with a set amount of funding per pupil or 2) by funding a number of positions (teachers, principals, counselors, librarians, etc.) per school. A study of school funding systems by ECS found that 42 states fund schools based on dollar amounts per pupil while seven states make use of systems that fund based on the number of positions. (The state of Hawaii operates as a single school district so it does not require a funding system that distributes dollars to school districts.)

This of *The Progress of Education Reform* concentrates on the first model of state funding and explains how state systems that provide funding on a per-pupil basis function. A separate companion piece will review systems that base their funding on the number of positions per school.

Step 1: Starting with a foundation

There are many names for funding systems that provide a dollar amount per student, the most common of which is "foundation funding." A foundation formula begins with a per-pupil funding amount that is deemed sufficient to educate a general education student to state standards (also known as the "foundation" or "base" funding amount). Some states like Arkansas, Maryland, and Wyoming make use of a foundation amount that has been determined through studies conducted by outside organizations. In most states, however, the legislature sets a foundation amount based on the available funding at that time.

Step 2: Counting the kids

Each state needs to have a system to determine how it will count students for funding purposes. The following represent the variations across states:

- *Single day counts (13 states)*: Students are counted on a single day each year.
  - Positives: Easy to administer.
  - Negatives: Potential unwarranted district penalties and potential unwarranted district rewards.
    - If students are not in attendance for that single day, the school district does not receive funding from the state.
    - If students transfer during the year, districts continue to receive full funding for those students.
- *Multiple single-count days (seven states)*: Students are counted on a single day during multiple times throughout the year, often one day in the fall and one day in the spring. The state then funds the average of these two counts.
  - Positives: Relatively easy to administer; attempts to take into account shifting student populations.
  - Negatives: Puts a great deal of pressure on districts to have their students attend on the count days; districts lose an incentive to ensure students attend on other dates.
- *Counting Periods (six states)*: Some states count students during longer or multiple periods during the school year. Systems range in states from a single-week count period (Washington) to 40 days (New Mexico and Wyoming).
  - Positives: Provides a clearer picture of student attendance than single-count day systems.
  - Negatives: Counting periods might not align with shifts in student populations. For instance, if the counting period does not take place during the late fall or early spring, it might not take into account students who migrate to new communities during farming season.
- *Average Daily Membership (16 states)*: Students are counted for funding purposes if they are enrolled in the district for all—or in some cases, almost all—of the school year.
  - Positives: Takes into account student enrollment during the whole school year.
  - Negatives: This system only counts students who are enrolled in the districts—not necessarily those students who are actually attending classes on a daily basis, which eliminates financial incentives for encouraging students to attend school.
- *Average Daily Attendance (seven states)*: Attendance is taken each day—or in some states on the majority of school days—and the district's annual student count is the average of these daily attendance numbers. Most states that use this system have some provisions to take into account excused absence for legitimate reasons such as student illnesses.
  - Positives: The most accurate way to measure student attendance.
  - Negatives: Many state and/or district data systems might not be capable of capturing daily student counts.

The Colorado Children's Campaign has collected and summarized how each state counts students for funding purposes. Access the paper on their website.

Step 3: Weighting the Students

Most states recognize that certain student populations require additional funding to meet state achievement expectations or standards. A recent study by Deborah Verstegen found that 49 states provide additional funding for special education students, 37 provide funding for English Language Learners (ELLs), and 34 for compensatory/at-risk students.[3] Many states choose to supply districts with this additional funding by providing these needier students with additional weights in the funding formula. For example, if a state determines that it would cost districts 20% more to educate an English Language Learner, the formula would provide ELL students with an additional weight of 0.2. Some states determine the additional weights for high-needs students through studies either run by the state or through third parties. However, most states establish their weights through the political process based on the availability of funding.

What is "Compound Weighting"?

Let's say a state provides an additional weight of 0.3 for "At-Risk" students and 0.2 for "ELL" students. What happens to an At-Risk student who qualifies for ELL services? Does he/she receive only one of the additional weights or both? In some states a student can only have one additional weight—usually the higher of the two (i.e., the At-Risk factor funding weight). However, some states allow for students to have both the additional weights for At-Risk and ELL—thus providing them with a total additional weight of 0.5 (or 50% more than a general education student). When states allow students to qualify for both weights, this is known as "compound weighting." There is little research on this, and the decision whether to use compound weighting tends to rest on internal political decisions and available funding.

Special Education - Texas

Texas has one of the most robust systems for funding special education. The following are the different categories of special education that Texas recognizes and the weights that they provide to them in the funding formula:

Instructional Arrangement	Weight
Homebound students	5.0
Speech therapy	5.0
Residential care and treatment	4.0
Hospital class	3.0
Resource room	3.0
Self-contained mild/ moderate	3.0
Self-contained severe	3.0
State schools	2.8
Off home campus	2.7
Vocational adjustment class	2.3
Nonpublic contracts	1.7
Mainstream	1.1

The Weighted Student Count

When states add the weights to the student count number, they get the "weighted student count" (WSC) for each school district. It's easier to understand this with an example: Let's say there's a school district that has 1,000 students—200 of whom are at-risk, 100 who require ELL services, and 20 who are special education students. The state provides an additional weight of 0.30 for at-risk, 0.20 for ELL, and 1.0 for special education. In this case the WSC would be calculated in the following way:

Classification	Students	Weight	Total
General Education	1,000	1.0	1,000
At-Risk	200	0.3	60
ELL	100	0.2	20
Special Education	20	1.0	20
Weighted Student Count for Funding Purposes (WSC)			1,100

Step 4: Determining the total foundation amount

This is an easy step: to determine the total foundation amount you simply multiply the per-pupil foundation amount by the "Weighted Student Count." So, if the state's per-pupil foundation amount is $5,000 and the WSC is 1,100 students (like the example above), the total foundation amount would be $5.5 million.

Step 5: Adding Up the tab & splitting the costs

One point that tends to confuse the media and the general public is who pays the tab for the total foundation amount. Very often people assume that if the total foundation amount equals $5.5 million (like the above example), it represents the amount of funding that the district can expect to receive from the state. However, that is not the case. States split the cost of the total foundation amount between state education funding coffers (themselves) and the local districts, based on each district's relative wealth. In theory, a mid-level wealth school district could expect to get 50% of the total foundation amount from the state and they would have to fund the other 50% through local revenues. As a district's wealth increases, it is expected to pay a higher percentage of the total foundation amount. Conversely, lower-wealth districts could expect to receive a higher percentage from the state.

Adjusting for Special Circumstances

Some states adjust their districts' foundation amounts to take into account certain high-cost circumstances. The most common are:

- Differences in regional costs
- Disproportionately large or small districts
- High poverty areas
- Isolated school districts

(Click on any of the above topics to learn more.)

What makes a district wealthy?

Most states measure a district's wealth based on its taxable property value per student. However, some states like Maryland look at both the property value and the amount of personal income in a district. This latter option can be beneficial to those school districts that have a high amount of property wealth but their residents have below average incomes. This is often the case in seaside vacation towns. Some states have found that it is unfair to label these districts as "wealthy," so they attempt to adjust the wealth number by taking income into account.

What if a district wants to spend more?

Most states allow school districts to spend above the foundation amount set by the state. However, all states now have some cap or restraint in place to limit how much a district can expend above the foundation amount (see a list of each state's restrictions).

Funding outside the formula

While the majority of state education funding flows through the state's primary formula, there are other pockets of money that flow from the state to school districts. These additional funding sources are referred to as "categorical funds." Categorical funds are often used to fund particular student groups (when not included in the primary formula), school functions (transportation, building construction, food services), or regions of the state (rural districts, isolated schools). Most states make use of a half dozen to a dozen different categorical funding programs, and these programs tend to account for only a small percentage of total education spending. However, some states—like California, which makes use of over 60 different categorical programs—are more reliant on this type of funding. No research exists on what number of categorical programs is optimal. The only real problem that policymakers should watch for is creating so many categorical programs that they make the funding formula unnecessarily complex and confusing.

Why are transportation costs paid for outside the formula?

The cost of transporting a student varies greatly from state-to-state and from district-to-district. Transportation costs are impacted by the number of students per square mile, the location of schools (i.e., isolated), various rules and regulations set by the state, and even by certain state court rulings. The difference in transportation spending per pupil can be stark. According to the National Center for Education Statistics, Delaware spends $777 per student, more than three times that of Oklahoma ($245), which is the lowest spending state. In almost every state, policymakers have found that it is easier to deal with transportation costs separately from other educational costs. That is why transportation funding often has a funding formula all its own.

Connecting school funding and education reform

State policymakers need to recognize that it is essential to consider their state funding formula when making decisions on policy changes. They need to understand not only the cost of the new reform, but how that cost can and will be accommodated in the current formula. For example, advocates of digital learning assert that until funding can be targeted and tracked to the course level, growth in access to online courses will be difficult.

> *For better or worse, meaningful education reform hinges on a state's school funding system...*

An older report from the Consortium for Policy Research in Education can help policymakers understand and plan for the cost implications to education reform. How Schools Can Reallocate Resources to Boost Student Achievement[4] provides information on how schools can find "... sufficient resources (through reallocation) to implement a wide variety of comprehensive school improvement strategies, including all the specific comprehensive school designs developed by the New American Schools, as well as several others." Included is an interactive tool that district and state level policymakers can use to determine the cost implications of these new school improvement strategies. Such tools are helpful when considering changes to a state's education system. However, understanding the formula for allocating state dollars is critical. Without such an understanding, one cannot successfully change the formula—the ultimate driver that will cause policies to fail or help them succeed.

ECS Resources

ECS state policy tracking database on funding formulas
http://www.ecs.org/ecs/ecscat.nsf/WebTopicView?OpenView&count=-1&RestrictToCategory=Finance--Funding+Formulas

ECS issue site on State Funding Formulas:
http://www.ecs.org/html/issue.asp?issueid=48&subIssueID=43

Endnotes

1 Alan Odden, *School Finance Reform: Past, Present and Future* (Denver, Colorado: Education Commission of the States, 1983) p. 5.

2 Edgar Fuller and Jim B. Pearson, *Education in the States: Nationwide Development Since 1900* (Washington, D.C.: Council of Chief State School Officers, 1969) p. 180-192.

3 D. A. Verstegen, "Public education finance systems in the United States and funding policies for populations with special educational needs," *Education Policy Analysis Archives*, 19 (21), 2011, http://epaa.asu.edu/ojs/article/view/769 (Accessed April 30, 2012).

4 Alan Odden, Lawrence O. Picus, "School Finance Redesign Reports," (Madison, Wisconsin: Consortium for Public Research in Education – University of Wisconsin), http://cpre.wceruw.org/finance/reports.php (Accessed May 15, 2012).

This issue of *The Progress of Education Reform* was made possible by a grant from the GE Foundation. It was written by Michael Griffith, Senior Policy Analyst, 303.299.3619; mgriffith@ecs.org.

GE Foundation

The Education Commission of the States is a nationwide nonprofit organization formed in 1965 to help governors, state legislators, state education officials and others develop policies to improve the quality of education. ECS is the only nationwide, nonpartisan interstate compact devoted to education at all levels.

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Equipping Education Leaders, Advancing Ideas

I. Where do Public School Funds come from?

II. How are Public School funds distributed?

III. How is Average Daily Attendance (ADA) calculated?

IV. What is a Support Unit and how is it calculated?

V. What is Salary-based Apportionment and how is it calculated?

VI. How much is a Support Unit worth?

VII. What is a Distribution Factor and how is it calculated?

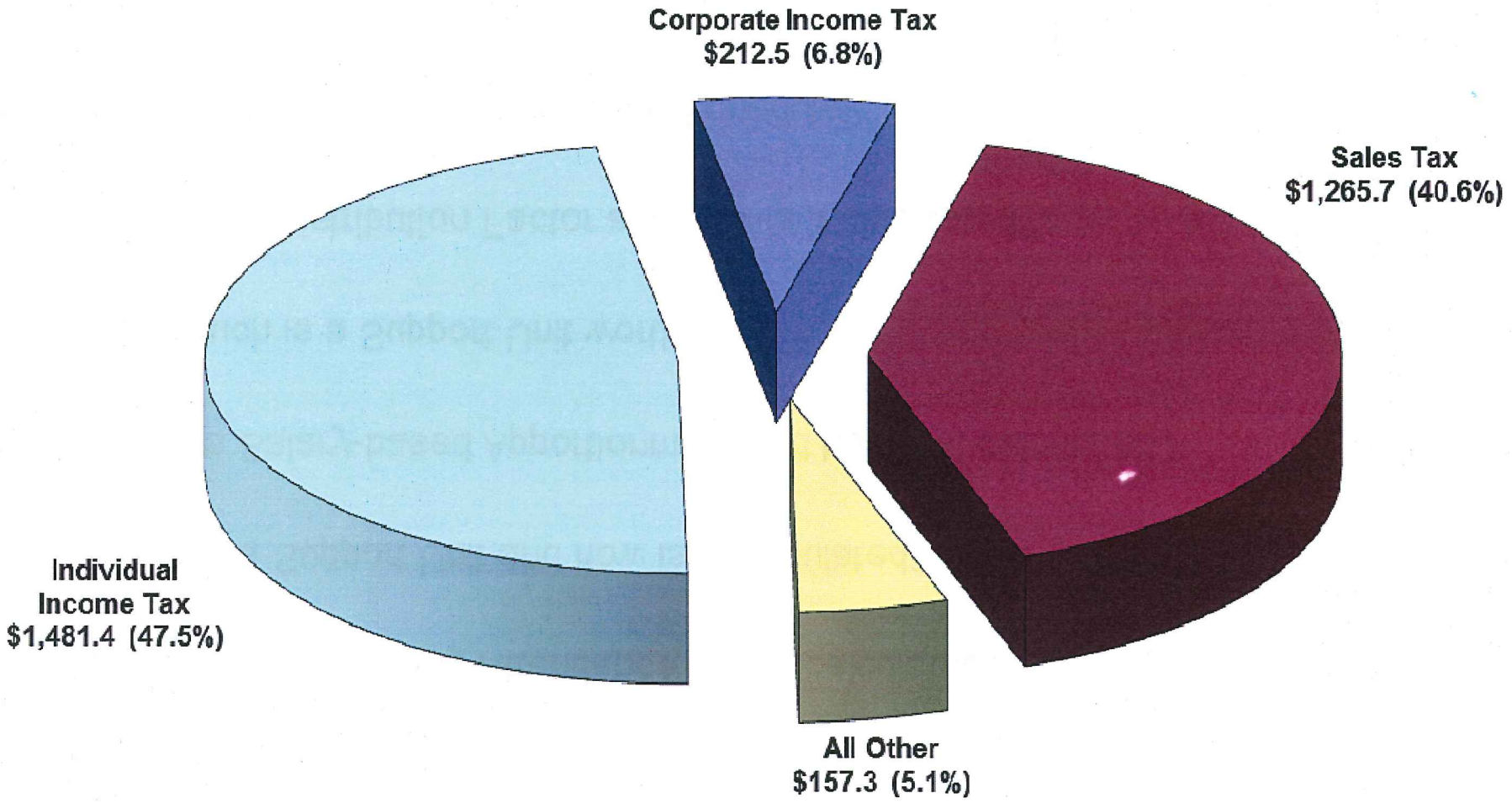
VIII. What is the Payment Distribution Schedule?

IX. How is a School District's / Charter School's foundation payment calculated?

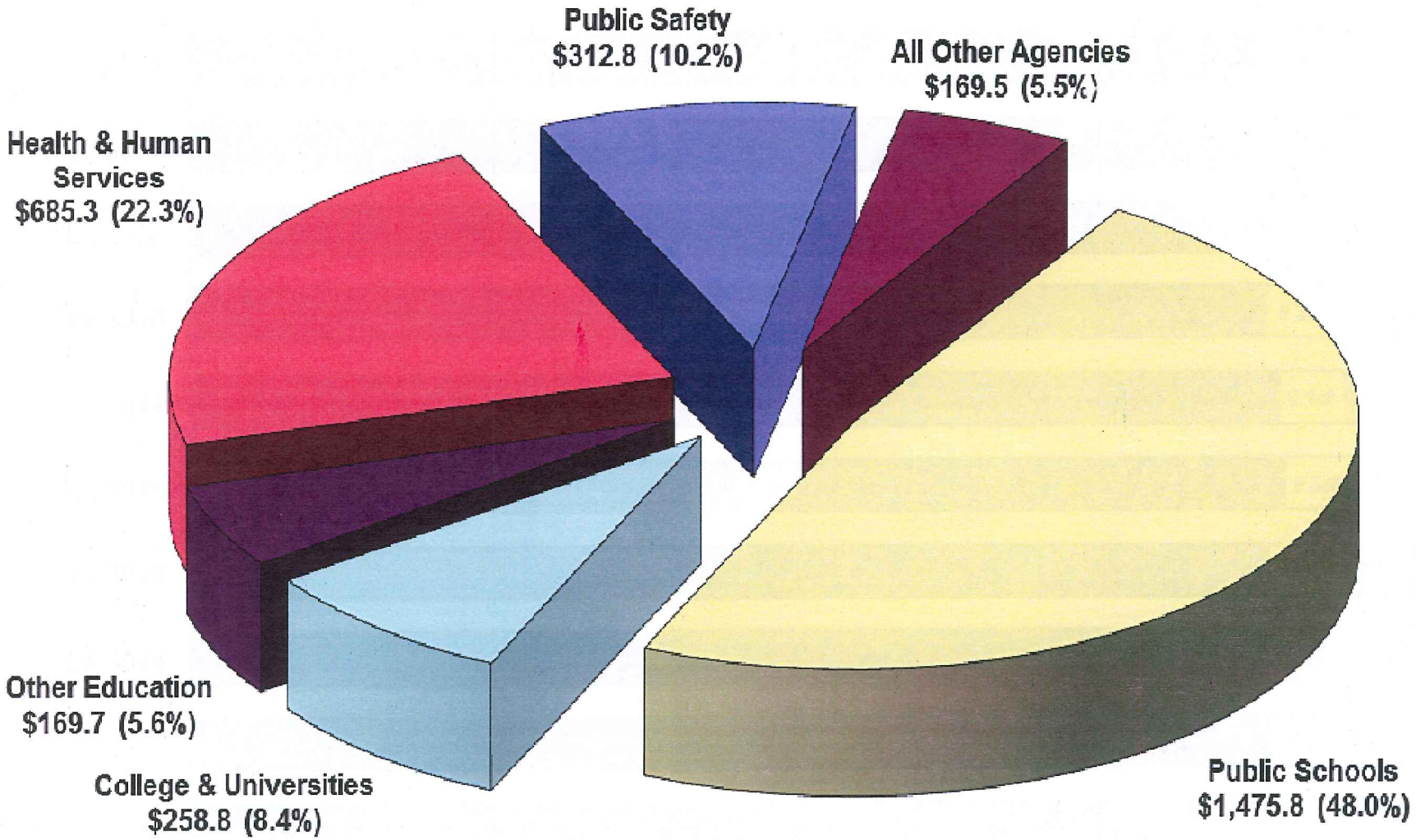
X. What are the three main reasons that revenues per ADA vary?

XI. Questions and Answers

STATE OF IDAHO
FY 2016 GENERAL FUND
Dollars in Millions (% of total)

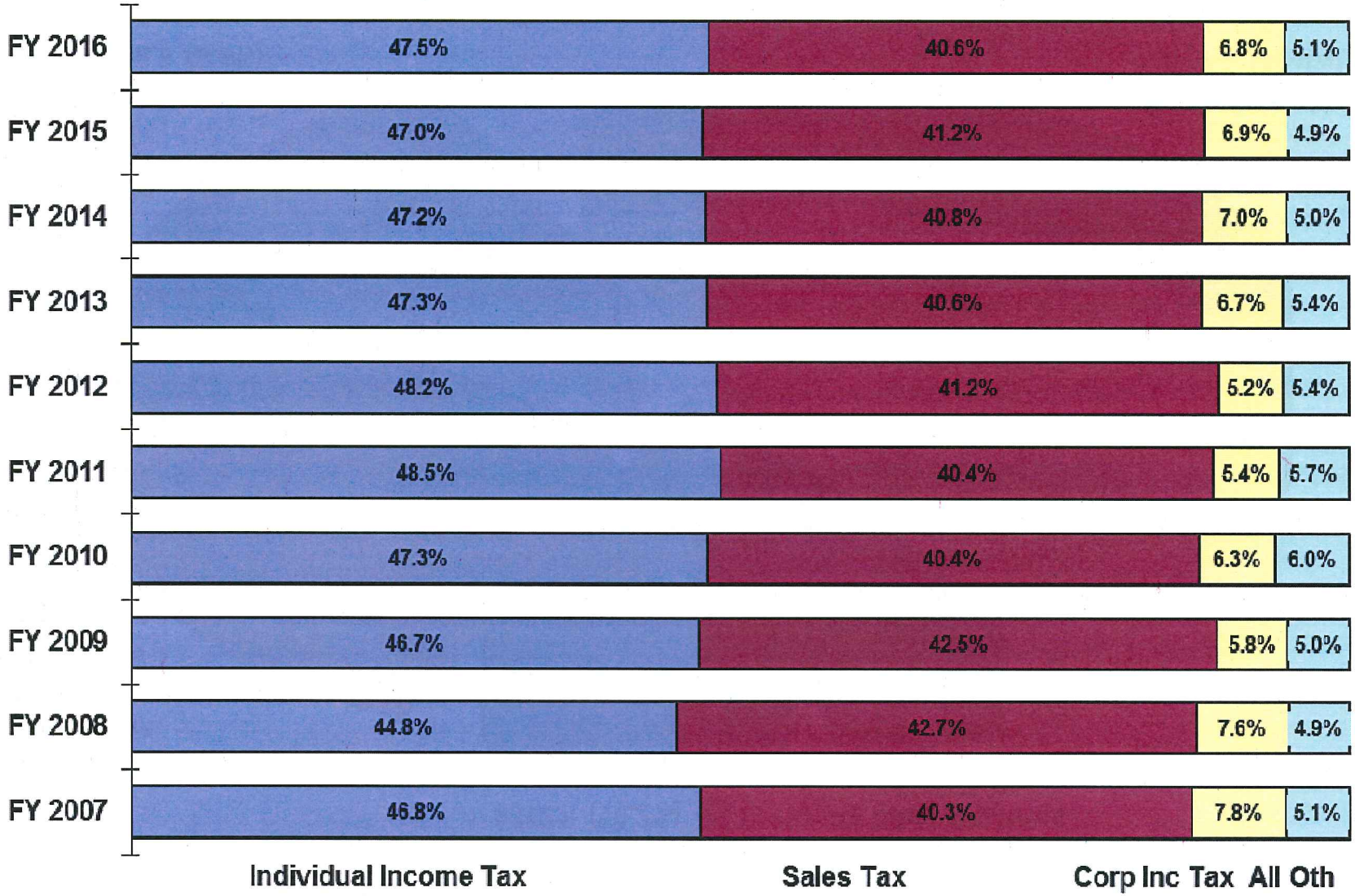


Total Estimated Revenue - $3,116.9

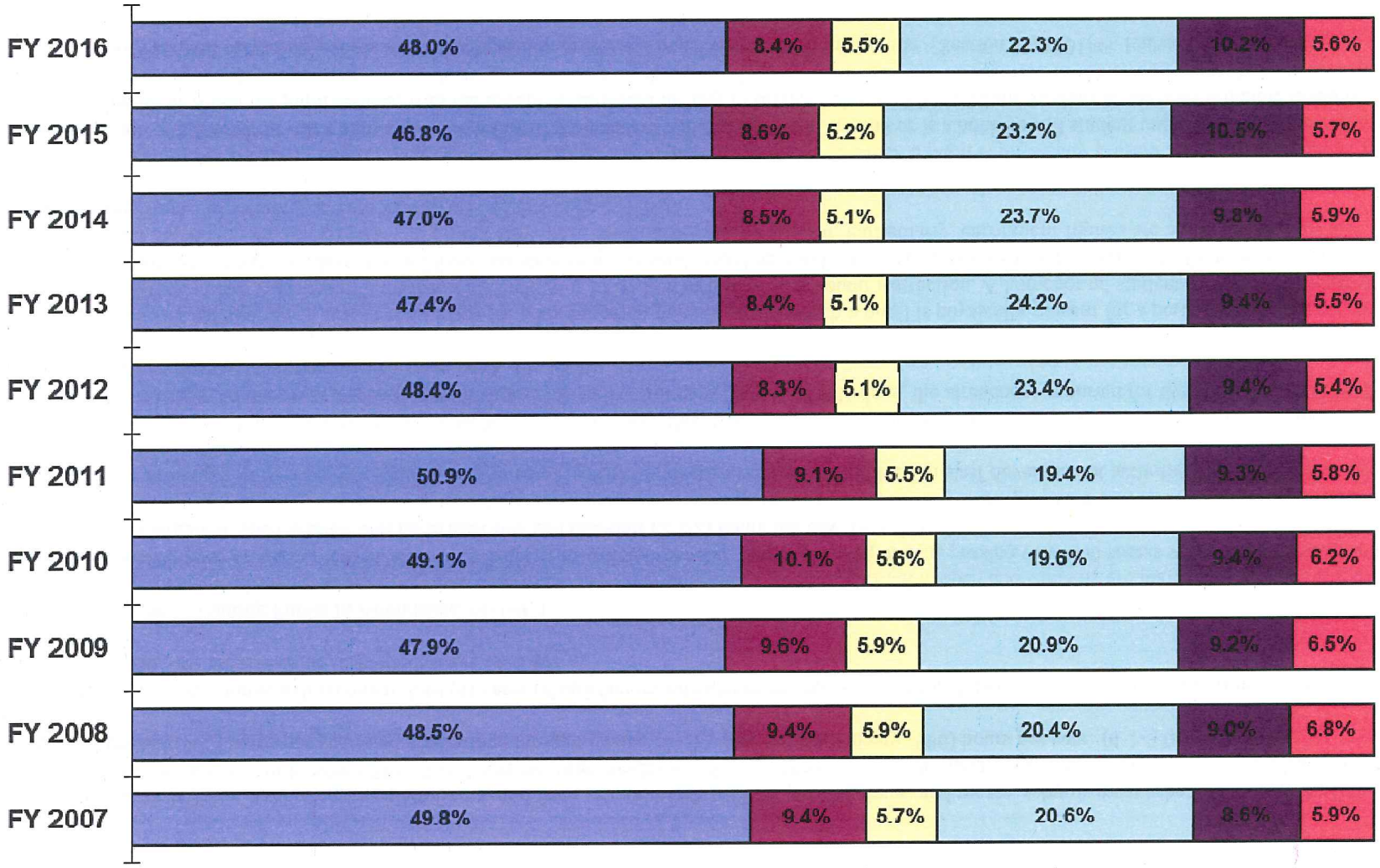


Total Appropriations - $3,071.9

PERCENTAGE SOURCE OF GENERAL FUND REVENUES



PERCENTAGE DISTRIBUTION OF ORIGINAL GENERAL FUND APPROPRIATIONS



Chapter 01 08.02.01 -- RULES GOVERNING ADMINISTRATION

Rule 250. PUPIL ACCOUNTING AND REQUIRED INSTRUCTIONAL TIME.
(Section 33-512, Idaho Code)

01. Required Instructional Time. Excluding transportation to and from school, lunch periods, passing times, and recess, schools must schedule at least the following instructional times: kindergarten, four hundred fifty (450) hours per year; grades one through three (1-3), eight hundred ten (810) hours per year; grades four through eight (4-8), nine hundred (900) hours per year; and grades nine through twelve (9-12), nine hundred ninety (990) hours per year. (4-1-97)

02. Required Attendance. All pupils will complete four (4) years of satisfactory attendance in grades nine through twelve (9-12) to graduate from an accredited high school, except those who are approved for early graduation. (4-1-97)

03. Day In Session When Counting Pupils In Attendance. (4-1-97)
a. A school day for grades one through twelve (1-12) may be counted as a "day in session" when the school is open and students are under the guidance and direction of teachers in the teaching process for not less than four (4) hours of instruction per day. Lunch periods, breaks, passing time and recess will not be included in the four (4) hours. For kindergarten, each session will be at least two and one-half (2 1/2) hours per day. (4-1-97)
b. Half-day Session. A half-day in session occurs when the students in grades one through twelve (1-12) are under the guidance and direction of teachers in the teaching process for a minimum of two and one-half (2 1/2) hours of instruction or the teachers are involved in staff development activities for not less than two and one-half (2 1/2) hours. (4-1-97)
c. Teacher Inservice Activities. For grades one through twelve (1-12), not more than twenty-two (22) hours may be utilized for teacher inservice activities, based on the district approved calendar. In the event a school district chooses to utilize full days instead of half-days, the attendance reported for these full days will be the average of the attendance for the other days of that same week. (4-1-97)

04. Day of Attendance -- Kindergarten. A day of attendance for a kindergarten pupil is one in which a pupil is physically present for a period of two and one-half (2 1/2) hours under the direction and guidance of a teacher while school is in session or under homebound instruction. A homebound student is one who is unable to attend school for at least ten consecutive days due to illness, accident or an unusual disabling condition. Attendance will be reported in half-day increments. Attendance reports for any day in the school year will reflect only those students physically present. Particularly, enrollment figures are not to be used for the beginning nor closing weeks of school. (Section 33-1001(5), Idaho Code.) (4-1-97)

05. Day of Attendance (ADA) -- Grades One Through Twelve (1-12). A day of attendance is one in which a pupil is physically present for the full day under the guidance and direction of a teacher or other authorized school district personnel while school is in session or is a homebound student under the instruction of a teacher employed by the district in which the pupil resides, with the exception as stated in "day in session" above. A homebound student is one who is unable to attend school for at least ten (10) consecutive days due to illness, accident or an unusual disabling condition. Attendance will be reported in full or half-days. Attendance reports for any day in the school year will reflect only those students physically present or under homebound instruction. (Section 33-1001(4), Idaho Code) (4-1-97)

06. Average Daily Attendance. In a given school year, the average daily attendance for a given school is the aggregate days attendance divided by the number of days school was actually in session. (Section 33-1001(2), Idaho Code) (4-1-97)

IDAHO CODE 33-1002 (4)

COMPUTATION OF KINDERGARTEN SUPPORT UNITS

Average Daily Attendance	Attendance Divisor	Units Allowed
41 or more	40	1 or more as computed
31 --- 40.99 ADA	---	1
26 --- 30.99 ADA	---	.85
21 --- 25.99 ADA	---	.75
16 --- 20.99 ADA	---	.6
8 --- 15.99 ADA	---	.5
1 --- 7.99 ADA	---	count as elementary

COMPUTATION OF ELEMENTARY SUPPORT UNITS

Average Daily Attendance	Attendance Divisor	Minimum Units Allowed
300 or more ADA		15
	23 ...grades 4,5,& 6....	
	20 ...grades 1,2,& 3....	
160 to 299.99 ADA	20	8.4
110 to 159.99 ADA	19	6.8
71.1 to 109.99 ADA	16	4.7
51.7 to 71.09 ADA	15	4.0
33.6 to 51.69 ADA	13	2.8
16.6 to 33.59 ADA	12	1.4
.01 to 16.59 ADA	n/a	1.0

COMPUTATION OF SECONDARY SUPPORT UNITS

Average Daily Attendance	Attendance Divisor	Minimum Units Allowed
750 or more	18.5	47
400 --- 749.99 ADA	16	28
300 --- 399.99 ADA	14.5	22
200 --- 299.99 ADA	13.5	17
100 --- 199.99 ADA	12	9
99.99 or fewer	Units allowed as follows:	
Grades 7--12		8
Grades 9--12		6
Grades 7-- 9		1 per 14 ADA
Grades 7-- 8		1 per 16 ADA

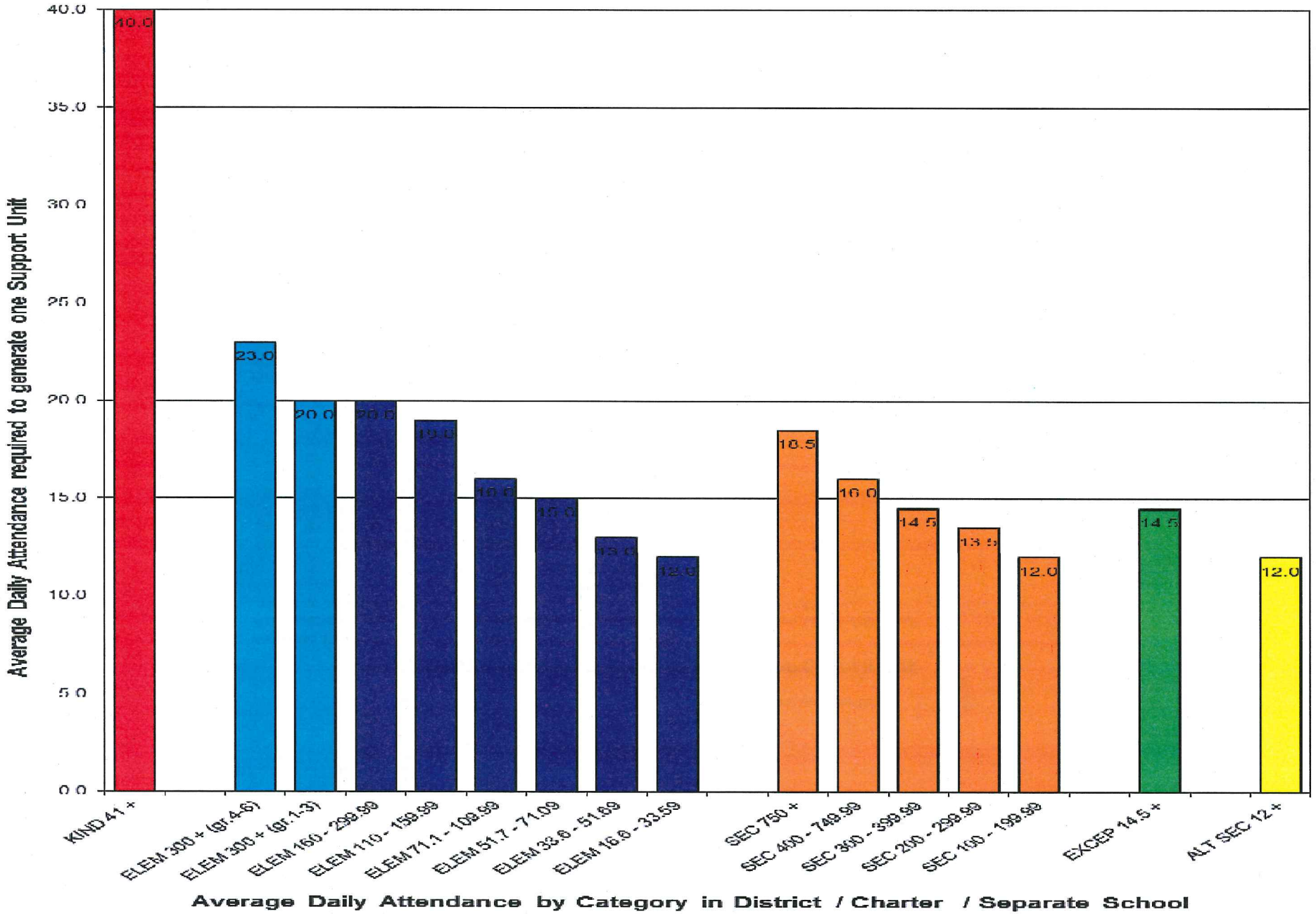
COMPUTATION OF EXCEPTIONAL SUPPORT UNITS

Average Daily Attendance	Attendance Divisor	Minimum Units Allowed
14 or more	14.5	1 or more as computed
12 --- 13.99	---	1
8 --- 11.99	---	.75
4 --- 7.99	---	.5
.01 --- 3.99	---	.25

COMPUTATION OF ALTERNATIVE SCHOOL SUPPORT UNITS

Pupils in Attendance	Attendance Divisor	Minimum Units Allowed
12 or more	12	1 or more as computed

Support Units



Effective Date: 7/3/2015
Page: 1

Idaho State Department of Education
Attendance/Enrollment System
Current Year Support Unit Calculation

7/7/2015 3:30:30 PM

School Year: 2014 - 2015
Report Type: First Reporting Period

052 SNAKE RIVER DISTRICT

	Days/Sessions First Reporting Period	Aggregate Attendance	A.D.A	Special Education	Adjusted A.D.A	Unit Divisor	Support Units
Kindergarten Administrative	27.50	3,134.50	113.98		113.98 /	40.0 =	2.85
Elementary 1-3 Administrative	38.00	15,092.00	397.16	(31.98)	365.18 /	20.0 =	18.26
Elementary 4-6 Administrative	38.00	13,208.00	347.58	(21.24)	326.34 /	23.0 =	14.19
Secondary Administrative	38.30	29,219.50	762.91	(43.40)	719.52 /	16.0 =	44.97
Exceptional Education							
Exceptional Preschool					7.31		
Exceptional Elementary					53.22		
Exceptional Secondary					43.40		
Exceptional Education Total					103.93 /	14.5 =	7.17
						Total Support Units	87.44
						Protected Support Unit Adjustment: -0.1%	-0.09
						Total Support Units (adjusted for protection)	87.35

Days in Session may not equal actual Days in Session due to rounding.

Average Daily Attendance (A.D.A.)	Term
Preschool (Special Ed)	7.31
Kindergarten	113.39
Elementary	689.12
Secondary	704.27
Exceptional	96.62
Alternative Secondary	
Total	1,610.70
Summer Alternative Secondary	
Summer Juvenile Detention	

Average Daily Attendance (A.D.A.)	1st Rpt Period
Preschool (Special Ed)	7.31
Kindergarten	113.98
Elementary	691.52
Secondary	719.52
Exceptional	96.62
Alternative Secondary	
Total	1,628.94
Summer Alternative Secondary	
Summer Juvenile Detention	

Effective Date: 7/3/2015
Page: 1

Idaho State Department of Education
Attendance/Enrollment System
Current Year Support Unit Calculation

7/7/2015 3:33:06 PM

School Year: 2014 - 2015
Report Type: Best 28 Weeks

052 SNAKE RIVER DISTRICT

	Days/Sessions Term	Days/Sessions Best 20 Weeks	Aggregate Attendance	A.D.A	Special Education	Adjusted A.D.A	Unit Divisor	Support Units
Kindergarten Administrative	128.50	95.50	11,029.50	115.49		115.49 /	40.0 =	2.89
Elementary 1-3 Administrative	139.00	107.00	42,466.00	396.88	(31.98)	364.90 /	20.0 =	18.24
Elementary 4-6 Administrative	139.00	107.00	37,413.00	349.65	(21.24)	328.41 /	23.0 =	14.28
Secondary Administrative	139.97	109.30	82,442.50	754.28	(43.40)	710.88 /	16.0 =	44.43
Exceptional Education								
Exceptional Preschool						7.31		
Exceptional Elementary						53.22		
Exceptional Secondary						43.40		
Exceptional Education Total						103.93 /	14.5 =	7.17
							Total Support Units	67.01
						Protected Support Unit Adjustment: -0.09%		-0.08
						Total Support Units (adjusted for protection)		86.93

Days in Session may not equal actual Days in Session due to rounding.

Average Daily Attendance (A.D.A.)	Term
Preschool (Special Ed)	7.31
Kindergarten	113.39
Elementary	689.12
Secondary	704.27
Exceptional	96.62
Alternative Secondary	
Total	1,610.70
Summer Alternative Secondary	
Summer Juvenile Detention	

Average Daily Attendance (A.D.A.)	Best 28 Weeks
Preschool (Special Ed)	7.31
Kindergarten	115.49
Elementary	693.31
Secondary	710.89
Exceptional	96.62
Alternative Secondary	
Total	1,623.61
Summer Alternative Secondary	
Summer Juvenile Detention	

33-1004A. EXPERIENCE AND EDUCATION MULTIPLIER. ---Each instructional and administrative staff position shall be assigned an appropriate multiplier based upon the following table:

EXPERIENCE AND EDUCATION

Years	BA	BA + 12	BA + 24	MA BA + 36	MA + 12 BA + 48	MA + 24 BA + 60	MA + 36 ES / DR
0	1.00000	1.03750	1.07640	1.11680	1.15870	1.20220	1.24730
1	1.03750	1.07640	1.11680	1.15870	1.20220	1.24730	1.29410
2	1.07640	1.11680	1.15870	1.20220	1.24730	1.29410	1.34260
3	1.11680	1.15870	1.20220	1.24730	1.29410	1.34260	1.39290
4	1.15870	1.20220	1.24730	1.29410	1.34260	1.39290	1.44510
5	1.20220	1.24730	1.29410	1.34260	1.39290	1.44510	1.49930
6	1.24730	1.29410	1.34260	1.39290	1.44510	1.49930	1.55550
7	1.29410	1.34260	1.39290	1.44510	1.49930	1.55550	1.61380
8	1.34260	1.39290	1.44510	1.49930	1.55550	1.61380	1.67430
9	1.39290	1.44510	1.49930	1.55550	1.61380	1.67430	1.73710
10	1.39290	1.49930	1.55550	1.61380	1.67430	1.73710	1.80220
11	1.39290	1.49930	1.55550	1.61380	1.73710	1.80220	1.86980
12	1.39290	1.49930	1.55550	1.61380	1.73710	1.86980	1.93990
13 or more	1.39290	1.49930	1.55550	1.61380	1.73710	1.86980	2.01260

In determining the experience factor, the actual years of teaching or administrative service in a public school, in an accredited private or parochial school, or beginning in the 2005-06 school year and thereafter in an accredited college or university shall be credited.

In determining the education factor, only credits earned after initial certification, based upon a transcript on file with the teacher certification office of the state department of education, earned at an institution of higher education accredited by the state board of education or a regional accrediting association, shall be allowed. Instructional staff whose initial certificate is an occupational specialist certificate shall be treated as BA degree prepared instructional staff. Credits earned by such occupational specialist instructional staff after initial certification shall be credited toward the education factor.

Idaho State Department of Education
Basic Education Staffing System
Salary Based Apportionment and Benefit Apportionment Computation

4/28/2015 9:53:35 AM

School Year: 2014 - 2015

Revised May 15, 2015

District 052 SNAKE RIVER DISTRICT

Statewide Information:		
Statewide Administrative Staff Index	1.84399	
Statewide Administrative Staff Index Cap	1.86643	100.00%
Statewide Instructional Staff Index	1.55253	
Statewide Instructional Staff Index Cap	1.59092	100.00%
PERSI, FICA, MEDICARE Rate	18.97%	

District Information:	
District Administrative Staff Indx	1.87507
District Admin. Staff Index (adjusted for cap)	1.87507
District Instructional Staff Index	1.52961
District Instr. Staff Index (adjusted for cap)	1.52961
District February Support Units:	87.35

	Staff Ratio	Calculated FTE	< 40 Units then + 0.5	< 20 Units then + 0.5	Separate Secondary School Allowance	Adjusted Staff Allowance	Actual FTE	Staff Allowance	Index	Base	Average Salary	Certified Preliminary Salary Based Apportionment
		(Units x a)				(b + c + d + e)					(i x j)	(h x k)
	a	b	c	d	e	f	g	h	i	j	k	l
Administrative	0.07500	6.55125	0.00000			6.55125	6.95000	6.55125 col (f)	1.87507	32,151.00	60,285.25	394,943.72
Instructional	1.10000	96.08500	0.00000	0.00000	0.00000	96.08500	92.41000	96.08500 smaller of (f) or (g)/90.5%	1.52961	23,354.00	35,722.40	3,432,386.34
Non-Certified	0.37500	32.75625				32.75625	19.56760			19,249.00		
TOTAL:						135.39250	118.92760					

	Noncertified Preliminary Salary Based Apportionment	Salary Alloc for Beginning Instructional Staff FTE	Salary Based Apportionment	Actual Total Salary	Salary Based Apportionment Eligible for Benefits	Benefit Apportionment	Virtual Allowance	Ancillary Allowance	Salary Based Apportionment Plus Waivers	Maximum Salary Apportionment	Salary Based Apportionment & Allowances
	(f x j)	(Min 31,750)	(l + m + n)		Smaller: o or q	r x 18.97%	(Max 15%)				
	m	n	o	q	r	s	t	u	v	w	x
Administrative			394,943.72	492,538.80					394,943.72 smaller of (o or q)	394,943.72 col (o)	394,943.72 col (w)
Instructional		182,170.00	3,614,556.34	4,045,691.10			0.00	0.00	3,614,556.34 smaller of [o or (q /.905)] + t + u	3,614,556.34 (f X k) + n	3,614,556.34 Smaller: v or w
Non-Certified	630,525.06		630,525.06	391,519.64					391,519.64 smaller of (o or q)	630,525.06 col (o)	630,525.06 col (w)
TOTAL:			4,640,025.12	4,929,749.54	4,640,025.12	880,212.77	0.00	0.00			4,640,025.12

	(A) Staff Allowance Per Unit (IC 33-1004)	(B) Statewide Estimated Average Index 2015-2016	(C) Base Salaries FY 2016 (IC 33-1004E)	(D) Statewide Average Salary Apportionment (B) x (C)	(E) Statewide Average Salary Apportionment Per Unit (A) x (D)	(F) Benefit Apportionment Per Unit (E) x 18.97%
Instructional Staff (Career Ladder)	1.021	NA	NA	$39,986	$40,826	$7,745
Pupil Services Staff	0.079	1.65740	$24,055	$39,869	$3,150	$598
Minimum Salary				$73	$80	$15
Instructional Base plus Minimum				$39,942	$3,230	$613
Administrative Staff	0.075	1.84403	$33,116	$61,067	$4,580	$869
Noncertified Staff	0.375	N/A	$19,826	$19,826	$7,435	$1,410
Total					$56,071	$10,637

Benefit Apportionment

PERSI Employer Rate	11.32%
Social Security	6.20%
Medicare	1.45%
	18.97%

Estimated Per Unit Dollar Equivalent

Statewide Average Salary Apportionment	$56,071
Benefit Apportionment	10,637
Entitlement (Distribution Factor FY 2016)	23,868
Total	$90,576

Per Kindergarten student (40)	$2,264.41
Per Elementary 1-3 student (20)	$4,528.82
Per Elementary 4-6 student (23)	$3,938.10
Per Elementary 1-6 student (20)	$4,528.82
Per Elementary 1-6 student (19)	$4,767.17
Per Elementary 1-6 student (16)	$5,661.02
Per Elementary 1-6 student (15)	$6,038.42
Per Elementary 1-6 student (13)	$6,967.41
Per Elementary 1-6 student (12)	$7,548.03
Per Secondary 7-12 student (18.5)	$4,896.02
Per Secondary 7-12 student (16)	$5,661.02
Per Secondary 7-12 student (14.5)	$6,246.64
Per Secondary 7-12 student (13.5)	$6,709.36
Per Secondary 7-12 student (12)	$7,548.03
Per Exceptional student (14.5)	$6,246.64
Per Alternative Secondary student (12)	$7,548.03

≥ 300
160 to 299.99
110 to 159.99
71.1 to 109.99
51.7 to 71.99
33.6 to 51.69
16.6 to 33.59
≥ 750
400 to 749.99
300 to 399.99
200 to 299.99
100 to 199.99

			Appropriation 2014-2015	Appropriation 2015-2016	$ Change	% Change
1		REVENUES				
	a.	General Fund	$1,366,298,500	$1,467,405,500	$101,107,000	7.4%
		STATE DEDICATED REVENUE				
	b.	Endowment / Lands	$31,292,400	$32,758,800	$1,466,400	4.7%
	c.	Miscellaneous	15,500,000	8,000,000	(7,500,000)	-48.4%
	d.	Lottery Dividend / Interest on Cooperative Fund	18,820,000	17,250,000	(1,570,000)	-8.3%
	e.	Bond Levy Equalization Fund	16,262,400	11,500,000	(4,762,400)	-29.3%
	f.	Cigarette and Lottery Taxes	4,700,000	4,421,400	(278,600)	-5.9%
		TOTAL STATE DEDICATED REVENUE	86,574,800	73,930,200	(12,644,600)	-14.6%
		TOTAL STATE REVENUES	$1,452,873,300	$1,541,335,700	$88,462,400	6.1%
	g.	FEDERAL REVENUES	$265,000,000	$264,115,000	($885,000)	-0.3%
		TOTAL REVENUES	$1,717,873,300	$1,805,450,700	$87,577,400	5.1%
2		STATUTORY EXPENDITURES				
	a.	Transportation	$69,281,800	$71,521,900	$2,240,100	3.2%
	b.	Border Contracts	1,100,000	1,100,000	0	0.0%
	c.	Exceptional Contracts and Tuition Equivalents	5,065,600	5,065,600	0	0.0%
	d.	Salary-based Apportionment	781,570,700	226,108,500	(555,462,200)	-71.1%
	e.	State-Paid Employee Benefits	148,363,900	42,992,800	(105,371,100)	-71.0%
	f.	Career Ladder	0	703,764,800	703,764,800	NA
	g.	Review of Career Ladder Teacher Evaluations	0	300,000		NA
	h.	Leadership Awards / Premiums	15,800,000	16,062,700	262,700	1.7%
	i.	Teacher Incentive Award (Nat'l Bd Cert)	90,000	90,000	0	0.0%
	j.	Idaho Safe and Drug-Free Schools	2,534,300	4,421,400	1,887,100	74.5%
	k.	Bond Levy Equalization Support Program	19,600,000	19,400,000	(200,000)	-1.0%
	l.	Charter School Facilities	2,100,000	4,200,000	2,100,000	100.0%
	m.	Idaho Digital Learning Academy	6,664,400	7,152,600	488,200	7.3%
	n.	School Facilities Funding (lottery)	12,570,000	17,250,000	4,680,000	37.2%
	o.	School Facilities Maintenance Match	1,716,000	5,485,000	3,769,000	219.6%
	p.	Advanced Opportunities	640,600	6,000,000	5,359,400	836.6%
	q.	High School Redesign - Math / Science	4,850,000	5,018,000	168,000	3.5%
	r.	Strategic Planning	326,000	652,000	326,000	100.0%
	s.	Mastery Based System Development	0	400,000	400,000	NA
	t.	Online Class Portal	0	150,000	150,000	NA
3		NON-STATUTORY EXPENDITURES				
	a.	Technology	10,400,000	13,000,000	2,600,000	25.0%
	b.	Wireless Infrastructure (Wi-Fi)	0	2,063,200	2,063,200	NA
	c.	Technology Pilot Projects	3,000,000	0	(3,000,000)	-100.0%
	d.	IT Staffing	2,500,000	2,500,000	0	0.0%
	e.	Instructional Management System (IMS) Maintenance	4,500,000	3,596,000	(904,000)	-20.1%
	f.	Student Achievement Assessments	1,703,500	1,703,500	0	0.0%
	g.	Math Initiative, Reading Intitiative, Remediation	10,500,000	9,850,000	(650,000)	-6.2%
	h.	Limited English Proficient (LEP)	4,000,000	4,000,000	0	0.0%
	i.	Administrative Evaluation	300,000	300,000	0	0.0%
	j.	Professional Development (Idaho Core, District Funding, and PD 360)	12,155,000	13,325,000	1,170,000	9.6%
	k.	Content and Curriculum	5,000,000	2,554,000	(2,446,000)	-48.9%
4		FEDERAL EXPENDITURES	265,000,000	264,115,000	(885,000)	-0.3%
		TOTAL EXPENDITURES	$1,391,331,800	$1,454,142,000	$62,810,200	4.5%
6		PUBLIC EDUCATION STABILIZATION FUNDS	$0	$0	$0	NA
7		NET STATE FUNDING	$326,541,500	$351,308,700	$24,767,200	7.6%
8		SUPPORT UNITS	14,577	14,719	142	1.0%
9		DISTRIBUTION FACTOR (includes $300 for Safe Environment Provisions)	$22,401	$23,868	$1,467	6.5%

STATE SCHOOL SUPPORT PROGRAM
DISTRIBUTION SCHEDULE (Idaho Code 33-1009)
2015-2016 School Year

REGULAR SUPPORT PROGRAM

Distribution Date		Public School Support	Public School Income / Dedicated *	Total Available	Percent
Aug-14-2015	**	$673,001,750	1,000,000	$674,001,750	48.60%
Nov-13-2015	**	269,200,700		269,200,700	19.41%
Feb-15-2016		269,200,700	9,939,700	279,140,400	20.13%
May-13-2016		134,600,350	9,939,700	144,540,050	10.42%
Jul-15-2016			19,879,400	19,879,400	1.44%
		$1,346,003,500	$40,758,800	$1,386,762,300	100.00%

SPECIAL DISTRIBUTIONS (General Fund only)

$15,000,000	Charter School Advance payments
16,062,700	Leadership Awards / Premiums
13,325,000	Professional Development
13,000,000	Classroom Technology, Wireless, Internet-based Portal
9,850,000	Remediation, IRI, Math Initiative
8,378,500	Idaho Educational Services for the Deaf and Blind
7,900,000	Bond Levy Equalization Support Program
7,152,600	Idaho Digital Learning Academy
6,000,000	Advanced Opportunities
5,485,000	School Facilities Maintenance Match
5,018,000	High School Redesign - Math / Science
4,200,000	Charter School Facilities
4,000,000	Limited English Proficiency
3,596,000	Instructional Management System
2,500,000	District IT Staffing
2,063,200	Wireless Infrastructure
1,703,500	Student Achievement Assessments
1,554,000	Content and Curriculum
1,100,000	Unemployment
652,000	Strategic Planning
400,000	Mastery Based System Development
300,000	Administrative Evaluation
300,000	Review of Career Ladder Teacher Evaluations
150,000	Online Class Portal
90,000	National Board Certified Incentives
$129,780,500	Total

* Estimated revenues which may be available on the dates indicated.

** Payments made to school districts and charter schools in August and November are advance payments for the current year and will be based upon payments from the public school income fund for the preceeding school year. Each school district or charter school shall receive its proportionate share of the advance payments in the same ratio that its total payment for the preceding year was to the total payment to all school districts and charter schools for the preceding year.

Snake River School District # 052

1.	UNITS	86.93
2.	ENTITLEMENT @ $22,401.15 per unit	$1,947,331.97
3.	SALARY APPORTIONMENT	4,640,025.12
4.	BENEFIT APPORTIONMENT	880,212.77
5.	BORDER CONTRACTS	0.00
6.	EXCEPTIONAL CONTRACTS, TUITION EQUIVALENCY, SED	0.00
7.	TRANSPORTATION	447,770.00
8.	ADJUSTMENTS	3,600.00
9.	TOTAL SUPPORT (lines 2 through 8)	$7,918,939.86
10.	TOTAL PAID TO DATE INCLUDING THIS PAYMENT	$7,918,939.86
11.	CHARTER SCHOOL JULY ADVANCE PAYMENT	$0.00
12a.	AUGUST 15 PAYMENT (General Funds / Cigarette & Lottery Tax)	3,737,614.00
12b.	AUGUST 15 PAYMENT (Lottery)	37,374.00
13.	NOVEMBER 15 PAYMENT (General Funds)	1,514,089.00
14.	FEBRUARY 15 PAYMENT (General Funds / Dedicated)	1,582,317.27
15.	MAY 15 PAYMENT (General Funds / Dedicated)	808,387.35
16.	PAID-TO-DATE	$7,679,781.62
17.	AMOUNT DUE THIS PAYMENT	$239,158.24
18.	OTHER STATE SUPPORT PAID TO DATE (not included in above payments)	
	Bond Levy Equalization Support Program	316,953.38
	Charter School Facilities	0.00
	Content and Curriculum	23,603.00
	Dual Credit for Early Completers	0.00
	Eight in Six	0.00
	Fast Forward	12,842.75
	High School Redesign - Math / Science	44,911.00
	Idaho Reading Initiative	12,978.70
	Instructional Improvement Systems	11,904.00
	IT Staffing	10,502.00
	Leadership Premiums	95,776.00
	Limited English Proficient (LEP)	42,863.00
	Limited English Proficient (LEP) Grant	0.00
	Master Advancement Program (MAP)	0.00
	National Board Certification	0.00
	Professional Development	55,044.00
	Remediation	30,518.00
	Safe & Drug-Free	12,937.00
	School Facilities Funding (lottery)	74,499.00
	School Facilities Maintenance Match	49,758.00
	Strategic Planning	1,065.17
	Technology (Classroom)	47,205.00
	Technology Pilot Programs	0.00
	Unemployment Insurance (paid directly to DOL fbo school district)	4,064.35
19.	RATIO	0.0059328306

Idaho Public School Funding

Public Schools are funded primarily from state general funds, and are supplemented by state dedicated funds, federal funds, and local funds. For FY 2016, the following amounts were appropriated by the 2015 Legislature:

	Public Schools	IESDB	Total
General Funds	$1,467,405,500	$8,378,500	$1,475,784,000
State Dedicated Funds	73,930,200	259,200	74,189,400
Federal Funds	264,115,000	223,500	264,338,500
Total Revenues Appropriated	$1,805,450,700	$8,861,200	$1,814,311,900
Local Funds (estimated property taxes, not appropriated)	500,000,000	0	500,000,000
Total Revenues	$2,305,450,700	$8,861,200	$2,314,311,900

State general and dedicated funds are distributed to public schools according to statute (Title 33, Chapter 10, Idaho Code) and appropriation intent language (special distributions).

Average Daily Attendance (ADA) is calculated from public school data submitted to the State Department of Education on a periodic basis. For funding purposes, there are two calculations of ADA: 1) from the first day of school through the first Friday in November, and 2) the best 28 weeks of the entire school year. A day of attendance is defined in State Board of Education rules and is basically a minimum of 2 ½ hours for kindergarten students and a minimum of 4 hours for grades 1-12.

ADA is converted to Support Units, per §33-1002 (4), Idaho Code. The divisors take the size of the School District's or Charter School's attendance categories into consideration. That is, the larger the ADA, the larger the divisor; the smaller the ADA, the smaller the divisor. In other words, smaller programs will require less ADA to generate a support unit, and larger programs will require more ADA to generate a support unit. This results in more funding per student for smaller programs, taking into consideration smaller class sizes that still require full-time staffing costs.

The Divisors also are a factor in how much is distributed by grade category. For example, a Support Unit ($90,600 FY 2016 estimated statewide average) equals approximately:

- $2,300 per Kindergarten student ADA (divisor of 40)
- $3,900 to $7,500 per Elementary (grades 1-6) ADA (divisors from 23 to 12)
- $4,900 to $7,500 per Secondary (grades 7-12) ADA (divisors from 18.5 to 12)
- $6,200 per Exceptional ADA (divisor of 14.5)
- $7,500 per Alternative (grades 6-12) ADA (divisor of 12)

Support Units are used to calculate Salary & Benefit apportionment (includes Career Ladder), and discretionary funds. Support Units based on the attendance period ending on the first Friday in November are used to calculate Salary & Benefit apportionment. Support Units based on the best 28 weeks are used to calculate discretionary funds.

Staffing is categorized into four areas:

- Instructional
- Pupil Service
- Administrative
- Classified

Instructional staff are placed in a cohort based on FY 2015 experience and education. For Pupil Services and Administrative staff, an average Experience and Education Multiplier (index) per §33-1004A, Idaho Code, is generated and used to calculate Salary & Benefit apportionment. Higher average indexes result in higher Salary Apportionment; lower average indexes result in lower Salary Apportionment. These average indexes and Career Ladder average salaries are the primary variables in determining a school district's or charter school's support unit value.

For each Support Unit, the following Staff Allowance ratios per §33-1004, Idaho Code, are used to calculate Staff Allowance:

- Instructional = 1.021
- Pupil Services = 0.079
- Administrative = 0.075
- Classified = 0.375

For example, 50 support units provide 51.05 Instructional Staff Allowance (50 x 1.021), 3.95 Pupil Services Staff Allowance (50 x 0.079), 3.75 Administrative Staff Allowance (50 x 0.075), and 18.75 Classified Staff Allowance (50 x 0.375). School districts with less than 40 support units receive an additional 0.5 Instructional FTE and an additional 0.5 Administrative FTE. School Districts with less than 20 support units receive an additional 0.5 Instructional FTE, in addition to the above provisions for less than 40 support units.

Base salaries for each category (except instructional), as well as the minimum Instructional salary, are reviewed and set by the Legislature each session.

A School District must employ at least the number of Instructional and Pupil Service staff (with the following exceptions) in order to receive its Instructional and Pupil Service Staff Allowance [§33-1004 (2), Idaho Code]. This is commonly referred to as the "use it or lose it" provision. Charter Schools are exempt from this statutory requirement. In FY 2015, school districts could employ 9.5% less FTE than their staff allowance without penalty. Beginning in FY 2016, this figure shall be reduced by one percent (1%) each year for each school district in which the average class size, as determined from prior fiscal year data reported to the state department of education, was at least one (1) student greater than the statewide average class size. Virtual instructional expenses (up to 15%) may be applied to the allowance.

Benefit apportionment equals 18.97% of Salary Apportionment and is based on the Public Employee Retirement System of Idaho (PERSI) and FICA. It is applied to the smaller of the Staff Allowance or Actual Salaries.

In summary, the amount per ADA that a School District or Charter School receives is generally based on:

- Size (in terms of ADA)
- Student Mix (grades served)
- Staff hired (Experience & Education Multiplier)

Other Statutory distributions such as Pupil Transportation, Border Contracts, Exceptional Contracts / Tuition Equivalents, Bond Levy Equalization Support Program, and Lottery are calculated according to statute and administrative rule. Special Distributions such as Remediation and the Idaho Reading Initiative are calculated according to appropriation bill intent language.

FY 2017 Public School Support Program Budget

		FY 2016 Original Approp.	FY 2017 Request	FY 2017 Recommend	FY 2017 JFAC Action	Div. of Admin.	Div. of Teachers	Div. of Operations	Div. of Children's Programs	Div. of Facilities	Deaf & Blind Services	Div. of Central Services
I.	**APPROPRIATION**											
	Sources of Funds											
1	General Fund	$1,475,784,000	$1,587,437,700	$1,596,325,100	$1,584,669,400	$86,798,500	$840,733,000	$570,846,700	$42,875,900	$18,958,000	$9,794,800	$14,662,500
2	Dedicated Funds	$74,189,400	$77,440,200	$77,892,700	$77,496,200	$0	$0	$42,724,800	$4,024,900	$30,452,500	$294,000	$0
3	Federal Funds	$264,338,500	$264,338,500	$264,338,500	$264,338,500	$0	$15,000,000	$0	$249,115,000	$0	$223,500	$0
4	**TOTAL APPROPRIATIONS**	**$1,814,311,900**	**$1,929,216,400**	**$1,938,556,300**	**$1,926,504,100**	**$86,798,500**	**$855,733,000**	**$613,571,500**	**$296,015,800**	**$49,410,500**	**$10,312,300**	**$14,662,500**
	General Fund Percent Change:	*7.4%*	*7.6%*	*8.2%*	*7.4%*	*4.2%*	*6.3%*	*7.3%*	*48.2%*	*7.8%*	16.9%	1.9%
	Total Funds Percent Change:	*8.2%*	*6.3%*	*6.8%*	*6.2%*	*4.2%*	*6.2%*	*7.3%*	*1.7%*	*6.6%*	16.4%	-7.1%
II.	**PROGRAM DISTRIBUTIONS**											
	Statutory Requirements											
5	Transportation	$71,521,900	$78,652,000	$71,152,000	$71,152,000			$71,152,000				
6	Border Contracts	$1,100,000	$1,200,000	$1,200,000	$1,200,000				$1,200,000			
7	Exceptional Contracts/Tuition Equivalents	$5,065,600	$5,065,600	$5,065,600	$5,065,600				$5,065,600			
8	Salary-based Apportionment	$226,108,500	$191,162,500	$187,103,500	$186,979,800	$72,410,300		$114,569,500				
9	State Paid Employee Benefits	$42,992,800	$36,263,500	$35,493,600	$35,470,000	$13,736,200		$21,733,800				
10	Career Ladder (Salaries) H296	$591,548,100	$674,027,500	$673,518,800	$673,145,000		$673,145,000					
11	Career Ladder (Benefits)	$112,216,700	$127,863,000	$127,766,500	$127,695,600		$127,695,600					
12	Review of Career Ladder Teacher Evaluations	$300,000	$600,400	$300,000	$0							
13	Bond Levy Equalization	$19,400,000	$19,400,000	$22,400,000	$22,400,000					$22,400,000		
14	Idaho Digital Learning Academy	$7,152,600	$8,347,400	$8,418,700	$8,365,300				$8,365,300			
15	Idaho Safe & Drug-Free Schools	$4,421,400	$4,421,400	$4,421,400	$4,024,900				$4,024,900			
16	High School Redesign - Math / Science	$5,018,000	$5,157,200	$5,157,200	$5,157,200		$5,157,200					
17	Advanced Opportunities	$6,000,000	$6,000,000	$6,000,000	$6,000,000				$6,000,000			
18	National Board Teacher Certification	$90,000	$90,000	$90,000	$90,000		$90,000					
19	Facilities (Lottery) & Interest Earned	$17,250,000	$18,000,000	$18,000,000	$18,000,000					$18,000,000		
20	Facilities State Match (GF)	$5,485,000	$3,479,500	$3,479,500	$3,479,500					$3,479,500		
21	Facilities - Charter School Funding	$4,200,000	$5,531,000	$5,531,000	$5,531,000					$5,531,000		
22	Leadership Awards/Premiums	$16,062,700	$18,070,900	$17,624,400	$16,645,200		$16,645,200					
23	School District Strategic Planning	$652,000	$1,082,400	$652,000	$652,000	$652,000						
24	Mastery Based System Pilot H122	$400,000	$1,200,000	$1,500,000	$1,400,000				$1,350,000			$50,000
25	Online Class Portal Managed by SDE	$150,000	$150,000	$150,000	$150,000				$110,000			$40,000
26	Literacy Proficiency	$0	$5,000,000	$10,700,000	$9,100,000				$9,100,000			
27	Academic & College/Career Advisors and Mentors	$0	$1,750,000	$5,000,000	$5,000,000		$5,000,000					
28	Innovation Schools	$0	$0	$0	$100,000			$100,000				
29	**Sub-total -- Statutory Requirements**	**$1,137,135,300**	**$1,212,514,300**	**$1,210,724,200**	**$1,206,803,100**	**$86,798,500**	**$827,733,000**	**$207,555,300**	**$35,215,800**	**$49,410,500**	**$0**	**$90,000**
	Other Program Distributions											
30	Math Initiative/Math Coaches (Request)	$1,960,000	$1,760,000	$1,978,000	$1,817,800							$1,817,800
31	Reading	$2,406,700	$2,406,700	$2,406,700	$2,316,200				$2,150,000			$166,200
32	Remediation	$5,483,300	$5,483,300	$5,483,300	$5,456,300				$4,715,000			$741,300
33	Limited English Proficiency (LEP)	$4,000,000	$4,006,100	$4,009,300	$3,870,000				$3,820,000			$50,000
34	College Entrance Exams	$963,500	$0	$0	$0							
35	District IT Staffing	$2,500,000	$2,500,000	$2,500,000	$2,500,000			$2,500,000				
36	Classroom Technology	$13,000,000	$15,000,000	$23,000,000	$18,000,000			$18,000,000				
37	Wireless Infrastructure (Wi-Fi)	$2,063,200	$2,203,400	$2,204,200	$2,100,000							$2,100,000
38	Administrative Evaluations of Teachers	$300,000	$700,400	$300,000	$300,000							$300,000
39	Student Achievement Assessments	$740,000	$3,103,500	$3,103,500	$1,758,500							$1,758,500
40	Instructional Management Systems (IMS) state & local	$3,596,000	$2,611,000	$2,611,000	$3,000,000			$3,000,000				
41	Prof. Development Distributed and Contracted	$13,325,000	$14,635,000	$18,330,000	$16,388,700		$13,000,000					$3,388,700
42	Content and Curriculum	$2,554,000	$3,955,500	$2,600,000	$4,250,000							$4,250,000
43	Gifted/Talented Grants	$0	$1,000,000	$0	$1,000,000				$1,000,000			
44	Tribal Language Grants	$0	$400,000	$0	$0							
45	Building Security/Safety/State Repository Phase III	$0	$300,000	$0	$0							
46	Rural School Initiatives Incubator	$0	$300,000	$0	$0							
47	Multi-Cultural Grants	$0	$100,000	$0	$0							
48	School Library Grants	$0	$100,000	$0	$0							
49	Bureau of Services for the Deaf & Blind (Campus)	$5,771,700	$6,629,100	$6,857,500	$6,857,500						$6,857,500	
50	Bureau of Services for the Deaf & Blind (Outreach)	$3,089,500	$3,422,000	$3,454,800	$3,454,800						$3,454,800	
51	Federal Funds for Local School Districts	$264,115,000	$264,115,000	$264,115,000	$264,115,000		$15,000,000		$249,115,000			
I.	**Sub-total -- Other Program Distributions**	**$325,867,900**	**$334,731,000**	**$342,953,300**	**$337,184,800**	**$0**	**$28,000,000**	**$23,500,000**	**$260,800,000**	**$0**	**$10,312,300**	**$14,572,500**
II.	**TOTAL CATEGORICAL EXPENDITURES**	**$1,463,003,200**	**$1,547,245,300**	**$1,553,677,500**	**$1,543,987,900**	**86,798,500**	**$855,733,000**	**$231,055,300**	**$296,015,800**	**$49,410,500**	**$10,312,300**	**$14,662,500**
III.	**STATE DISCRETIONARY FUNDS**	**$351,308,700**	**$381,971,100**	**$384,878,800**	**$382,516,200**	**$0**	**$0**	**$382,516,200**				
IV.	**ESTIMATED SUPPORT UNITS**	**14,719**	**14,865**	**14,978**	**14,886**			**14,886**				
V.	**STATE DISCRETIONARY $ PER SUPPORT UNIT**	**$23,868**	**$25,696**	**$25,696**	**$25,696**			**$25,696**				
	(The Discretionary Funds distribution includes $300/support unit for safe school environments (§33-1002, Idaho Code)							7.7%				

Senate Bill 1410, FY 2013 Public Schools Appropriation

Prepared by Legislative Services Office, 334-3531

Senate Bill 1410 is the fiscal year 2013 appropriation for Public Schools (K-12). It is based on 50 support units of enrollment growth, includes a 2% base salary increase for classified staff and Services for the Deaf and the Blind, and funds statutory requirements that include $38.8 million for pay-for-performance, $13.6 million for technology, and $2.6 million for laptops & maintenance. Additionally, this budget provides $4.15 million ongoing General Funds to keep discretionary funds at the same amount as the current year, $1.1 million of ongoing General Funds to increase discretionary funds, $2.9 million of ongoing General Funds to increase the minimum teacher salary from $30,000 to $30,500, an additional $4 million of one-time dedicated funds to the Idaho Digital Learning Academy (IDLA), and $2.5 million of ongoing General Funds for school district IT support staff. Discretionary funds are set at $19,706 per support unit. The total for this budget includes $1,279,818,600 of General Funds, which is a 4.6% increase from the previous year.

		FY 2012 Original Approp.	FY 2013 Original Approp.	Div. of Admin.	Div. of Teachers	Div. of Operations	Div. of Children's Programs	Div. of Facilities	Deaf & Blind Services
I.	STATE APPROPRIATION								
A.	Sources of Funds								
1.	General Fund	$1,223,580,400	$1,279,818,600	$78,996,600	$723,471,100	$433,405,800	$23,480,200	$13,077,000	$7,387,900
2.	Dedicated Funds	$68,547,400	$66,873,400	$0	$0	$58,023,800	$4,318,600	$4,323,000	$208,000
3.	Federal Funds								
3b.	Federal Title 8 ARRA Federal Stimulus Funds	$28,000,000	$5,000,000	$0	$0	$0	$5,000,000	$0	
3c.	Federal Education Jobs Fund Moneys	$25,820,500	$0	$0	$0	$0	$0	$0	$0
3d.	Other Federal Moneys	$215,121,000	$215,121,100	$0	$30,000,000	$8,000,000	$177,000,000	$0	$121,100
4.	TOTAL STATE APPROPRIATIONS	$1,561,069,300	$1,566,813,100	$78,996,600	$753,471,100	$499,429,600	$209,798,800	$17,400,000	$7,717,000
	General Fund Percent Change:	*-4.0%*	*4.6%*	*5.5%*	*5.8%*	*3.7%*	*-16.7%*	*12.7%*	4.2%
	Total Funds Percent Change:	*-6.4%*	*0.4%*	*5.5%*	*1.8%*	*2.3%*	*-10.2%*	*0.0%*	3.3%
II.	PROGRAM DISTRIBUTIONS								
A.	Statutory Requirements								
1	Transportation	$68,953,600	$69,973,600	$0	$0	$69,973,600	$0	$0	$0
2	Border Contracts	$1,100,000	$1,300,000	$0	$0	$0	$1,300,000	$0	$0
3	Exceptional Contracts/Tuition Equivalents	$5,884,300	$5,943,300	$0	$0	$0	$5,943,300	$0	$0
4	Salary-based Apportionment	$736,480,600	$743,437,200	$63,596,900	$578,540,300	$101,300,000	$0	$0	$0
5	State Paid Employee Benefits	$133,861,100	$135,116,100	$11,559,500	$105,146,400	$18,410,200	$0	$0	$0
6	Pay for Performance (including benefits/PERSI)	$0	$38,774,600	$3,840,200	$34,934,400	$0	$0	$0	$0
7	Bond Levy Equalization	$17,400,000	$17,400,000	$0	$0	$0	$0	$17,400,000	$0
8	Idaho Digital Learning Academy	$6,000,000	$5,031,000	$0	$0	$0	$5,031,000	$0	$0
9	Idaho Safe & Drug-Free Schools	$318,600	$318,600	$0	$0	$0	$318,600	$0	$0
10	Additional Math and Science Requirements	$4,850,000	$4,850,000	$0	$4,850,000	$0	$0	$0	$0
11	Severance Payment for 99% Protection	$600,000	$0	$0	$0	$0	$0	$0	$0
12	Dual Credit Enrollment	$842,400	$842,400	$0	$0	$0	$842,400	$0	$0
13	Technology	$13,173,900	$13,613,900	$0	$0	$13,613,900	$0	$0	$0
14	Mobile Devices and Maintenance	$0	$2,558,800	$0	$0	$2,558,800	$0	$0	$0
15	Sub-total -- Statutory Requirements	$989,464,500	$1,039,159,500	$78,996,600	$723,471,100	$205,856,500	$13,435,300	$17,400,000	$0
B.	Other Program Distributions								
1	Math Initiative, Reading Initiative, Remediation	$9,400,000	$9,400,000	$0	$0	$0	$9,400,000	$0	$0
2	Limited English Proficiency (LEP)	$4,000,000	$4,000,000	$0	$0	$0	$4,000,000	$0	$0
3	College Entrance Exams	$963,500	$963,500	$0	$0	$0	$963,500	$0	$0
4	District IT Staffing	$0	$2,500,000	$0	$0	$2,500,000	$0	$0	$0
5	Bureau of Services for the Deaf & Blind (Campus)	$4,871,600	$5,042,900	$0	$0	$0	$0	$0	$5,042,900
6	Bureau of Services for the Deaf & Blind (Outreach)	$2,596,300	$2,674,100	$0	$0	$0	$0	$0	$2,674,100
7	Federal Funds for Local School Districts	$268,820,500	$220,000,000	$0	$30,000,000	$8,000,000	$182,000,000	$0	$0
8	Sub-total -- Other Program Distributions	$290,651,900	$244,580,500	$0	$30,000,000	$10,500,000	$196,363,500	$0	$7,717,000
	TOTAL CATEGORICAL EXPENDITURES	$1,280,116,400	$1,283,740,000	$78,996,600	$753,471,100	$216,356,500	$209,798,800	$17,400,000	$7,717,000
III.	STATE DISCRETIONARY FUNDS	$280,952,900	$283,073,100			$283,073,100			
IV.	ESTIMATED SUPPORT UNITS	14,315	14,365			14,365			
V.	STATE DISCRETIONARY $ PER SUPPORT UNIT	$19,626	$19,706			$19,706			

Presentation to the Public School Funding Formula Committee (HCR 33) April 6, 2016

State Funding of Public Schools – An Overview

Nationwide

Early 1900s States funded public schools based on equal amounts per student. This model was easy to understand but created inequities between wealthy and poorer districts or regions. Also widely used were position salary schedules that paid more for secondary teachers than elementary teachers and often paid women and minority teachers less than non-minority males.

1920s States began using foundation formulas that were adjusted based on the relative wealth of school districts.

1930s States began adjusting the foundation formulas for specific populations of students with special needs or non-English speaking students. Single salary schedules emerged to address discrimination and took into consideration education and experience.

1950s and **1960s** Single salary schedules became more common in school districts to address inequities among staff. "Weighting" of students with special needs also became more common.

1970s Further adjustments for regions and district size.

1990s States began implementing performance measures into formulas and compensating based on outcomes as a way to increase student achievement.

These approaches all depended on counting students and this can take several forms, such as single day counts, multiple day counts, period counts, average daily membership, and average daily attendance. Further, weighting can include *compound* weighting for students falling into multiple categories. In addition to foundational formulas, states include other categorical funding, for example, for facilities, transportation, or school safety.

Idaho

1960s Idaho state funding for public schools was based on 22 mills times the total state adjusted assessed valuation and included a weighted average daily attendance multiplier table (sparsity factor), a steps/lanes multiplier table, and state average cost per student. Section 33-1002, Idaho Code.

1980s State funding to districts based on support units and state average cost. No statewide salary schedule prior to 1990s.

1990s Litigation drives reform of public school funding.

- "Select Committee on Thoroughness" was formed in 1993
  - Held meetings across the state.

- Result was Senate Bill 1560 (1994 Session)
  - New formula using a statewide salary grid, base salaries, and staff allowances.
  - Established base salaries. For example, the instructors base was set at $19,328. This was calculated by taking 82% of the national average instructor salary ($35,000) and dividing by the statewide index ($28,700/1.4849 index = $19,328).
  - Required $90+ million in FY 2015, which was a 17% increase from the General Fund.

2006 HB 1 removed 0.3% M&O local levy and increased sales tax by 1 cent (FY 2007).

2010 Recession during FY 2010 and FY 2011 resulted in significant funding reductions.

2011 and 2012 Students Come First reform efforts in FY 2012 and FY 2013 focused on reallocation of resources, performance funding, and fractional average daily attendance. Propositions 1, 2, and 3 reversed these efforts.

2013 Governor's Task Force for Improving Education formed and resulted in 20 recommendations.

2016 Public School Funding Formula Committee (HCR 33).

Sources:

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Public Education Funding In Idaho. Office of Performance Evaluations, Report #09-01, January, 2009.
A Review of Senate Bill 1560. The Matrix Group, October 1999.